THE FINANCIAL POST

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Largest Circulation of All Canadian Financial Papers

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The Nation's Business

A Fervent Demand For All-out War

There were no ifs or buts in the declaration of war policy by the Conservative party group which met in conference at Port Hope over the week end. Just two dozen words summed up the feeling of that gathering which went on record as follows:

> "We demand immediate and complete conscription of the man-power of the Dominion for the armed services for duty in any part of the world."

Almost five months ago and after prolonged hedging the Dominion government offered this country a plebiscite. The result was an overwhelming affirmative for an all-out war effort.

The government apparently chose to interpret the result otherwise because, so far as actual conscription for military service is concerned, we are still in almost exactly the same position we were before the plebiscite was ever hinted.

Our overseas forces have seen little actual fighting so far, but at any minute they may be called upon to lead the invasion of Europe. When they do, as is abundantly made clear by the casualties at Dieppe, they could be seriously if not fatally handicapped by the lack of fully trained reinforcements.

The Prime Minister has intimated that when our overseas forces become engaged with the enemy we may have to fall back upon military conscription. If we wait that long it will be a miracle if we are not too late. Neither Great Britain nor the United States dared take such a risk.

Canada in this war is just as menaced as either the United States or Great Britain. We have just as much at stake. If we ever hope to do our full part to defend our own way of life, then we must prepare to fight with no strings attached. This is, as President Roosevelt declared in his radio speech on Monday night, a global war we are fighting. It is nation pitted against nation. We cannot expect the individual citizen to take the responsibility of deciding what he should or should not do to help. The whole country must operate as a single unit.

* * * *

MUCH DEPENDS ON HIS SUCCESS

The appointment of Harry J. Carmichael as Co-ordinator of Production, Department of Munitions and Supply, would suggest that at long last the administration has recognized the vital need of having one individual handle the job of overall production management.

Mr. Carmichael's job has two aspects:

First is the task of meshing—and of lubricating—the many gears of our broad scale war effort. Mr. Carmichael is brought on the scene late to do this job adequately. The building of Canada's war machine is now almost complete and full production is only a few months away. But Mr. Carmichael can do a vital job in overall management of Canada's industrial production line; in seeing that those war industries whose products are most needed at a given time get the men and materials they need; that our war production programme be kept balanced against our greatest needs, against our potential in men, materials and machines.

Second phase is the job of industrial engineering to be done in war industry itself. Men and materials are being stripped from civilian industry. Civilian industry is told it must, in coming months, continue to produce as much with less manpower; that every conceivable economy and efficiency measure must be inaugurated without delay. For total war this is as it should be.

But the Carmichael task is to see that within individual war industries these same economies and efficiency measures are put into practice. There is wide variation in efficiency between war plants. In some, use of manpower and materials ranks with the best the technology of mass production can show. Other plants are less efficient. Bringing the poorest producer up toward the level of the best will add enormously to the arms output of war plants now in, or getting into, production. Mr. Carmichael's background in the highly developed, super cost-conscious automobile industry should serve him well in his new job.

Mr. Carmichael's powers are very broad. Directors general of war production and heads of crown companies must now take orders from him. To achieve full mobilization and to co-ordinate this programme with that of Manpower Boss Elliott Little and of Price Boss Donald Gordon, such powers are essential.

* * *

"FAINT HEART NE'ER WON"

Men and newspapers of high principle and firm conviction generally fight for their principles regardless of the possibility of immediate success.

But after two and a half years of urging National Government, without so far having its efforts crowned with success, The Globe and Mail of Toronto breaks up this plank in its platform, says the cause is lost and implies that it no longer cares to fight for National Government.

The reasoning is curious: It is that wartime party government has got the country into such a mess that a National Government would not now want to take over the job. Surely the reverse should be the case. The worse the condition, surely the more imperative that new control be established as quickly as possible.

The Globe and Mail should not be so faint hearted; so easily wearied in well doing.

* * *

BEHIND THE BEEF SHORTAGE

War has created some unusual situations but certainly few more unusual than the spectacle of a great farming country like Canada running short of beef. After all, this meat is essentially the product of grass and grain and every school boy knows we have plenty of both those commodities in this Dominion.

Yet here we are after three years of war facing an acute shortage and with no relief in sight for perhaps many months. Had we been exporting 80% or more of our beef to Britain as we are doing with cheese, salmon and bacon, the present situation might have been more understandable but practically no beef has gone there.

The immediate cause of the scarcity was a flow of live cattle to the United States but the main reason appears to be a lack of long range foresight. It takes from two to three years to bring cattle to the beef stage. For the farmer it is a long term investment and sometimes a very costly one.

In the agricultural crash which almost immediately followed the first Great War, Canadian farmers lost millions of dollars on beef cattle. They had tied up their money only to have the animals reach the slaughtering stage when the market had gone to pieces. Some of them had the bulk of their capital and all available credit invested in these cattle.

Remembering that costly lesson, Canadian farmers have been cautious about expanding beef cattle holdings during this war. Compared to gains in the hog output, that in cattle has been moderate indeed.

This has not been sufficient to accommodate a normal export of live cattle to the United States plus a war-boosted domestic demand for beef. The result as every consumer knows now is a shortage and it will continue in more or less acute form until the Canadian farmer is convinced that the cattle he raises or buys for feeding today will not be liable to force him into bankruptcy if the war should end and the market collapse before the animals are ready to market.

Power Plan Now Ready For Release

Canada's Commercial "Whiteways" Out For Duration — No Electricity for Advertising

By JOHN E. LANGDON

MONTREAL. — Plans restricting the non-essential use of electricity likely will be released this week. The order has been drawn up by Power Controller H. J. Symington, passed to the government, and will be released officially shortly.

For several weeks past it has been freely reported that non-essential industries, notably newsprint, would have their power take curtailed, while commercial and domestic use would be limited as the situation warranted.

Newsprint Woes Publicized

The case of the newsprint industry has been given wide publicity through the desire of community interests to keep the plants of Ontario Paper Co. and Beaver Wood Fibre Co. in full operation. Delegations have approached the government and the Power Controller for concessions.

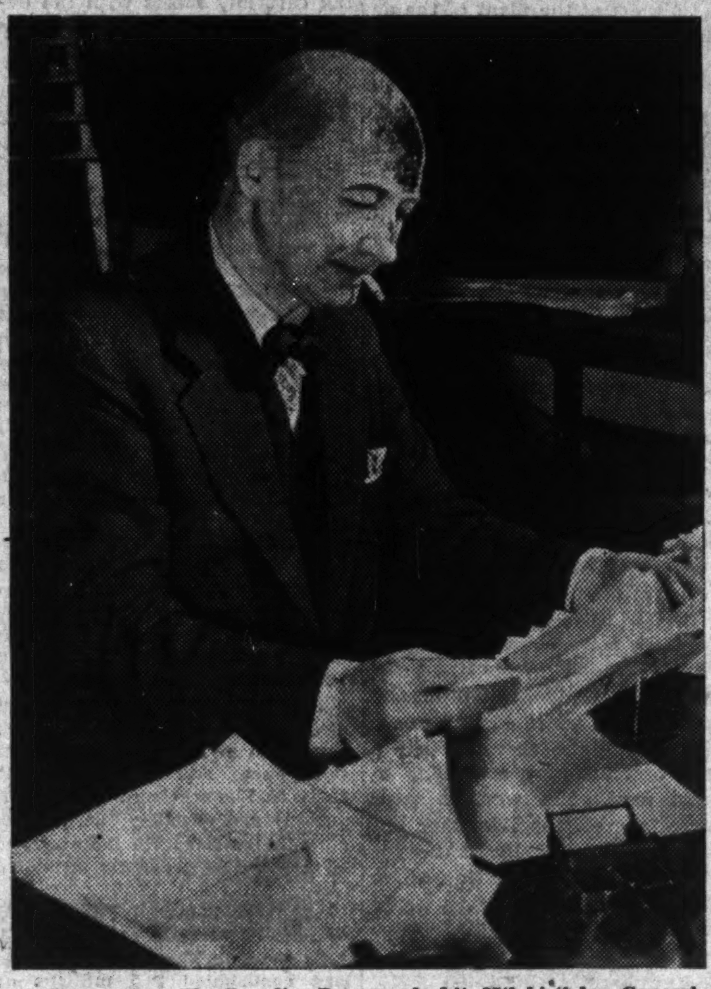
The arrangement worked out gives Ontario Paper Co., for example, 10,500 h.p. which, with off-peak power, will ensure operation of at least one and possibly two out of the five machines installed. No concessions have been made by the Power Controller.

Aside from the restricted use of power in non-essential industries, especially in Ontario and Quebec, the commercial and domestic consumers in those areas will be affected by the new rulings. Certain other centres outside of the two provinces, where a power shortage exists or threatens, will also be affected.

Fundamental with the new order

(Continued on page 2, col. 5)

QUARTER CENTURY FOR C. P.



This week, as The Canadian Press marked its 25th birthday, General Manager John Alexander McNeil could pride himself that never has C. P. enjoyed a higher reputation for fair, unbiased and accurate reporting. One of the greatest stories its wires ever carried — Ross Munro's graphic account of Dieppe—came along in time to be regarded as a birthday present. Co-operative news organization of the nation's newspapers, C. P. serves 90 dailies and dozens of weeklies, keeps millions of Canadians informed. Bulletins of its subsidiary, Press News Ltd., are broadcast by 30 radio stations. Big, amiable and able, Mr. McNeil has been general manager of C. P. since 1939, before that was a director for 12 years. Born at Angus, Ont., in 1876, he is a former managing editor of Montreal's Gazette.

Ottawa Launches New Controls To Avert a Lumber Famine

Sharp Increase in Demand From Domestic Industry, United Kingdom and the United States Forces New System to Boost Dwindling Production; Allocate Supplies Equitably

By KENNETH R. WILSON

OTTAWA. — Because Canada's lumber "crop" threatens to be below last year, because Canada's three big lumber customers, domestic industry, the United Kingdom and the United States are bidding for more lumber than appears available, Ottawa is grooming a new, comprehensive lumber policy.

Two major jobs have been undertaken: to boost production; and to allocate the supply fairly among the three big markets.

With the declaration of a state of emergency in respect of Canada's vast lumber industry a comprehensive eight-point programme to meet the new critical situation will be announced here this week by A. S. Nicholson, Canada's Timber Controller. Highlights of the new programme include:

ALLAN S. NICHOLSON

1. Immediate classification of the lumber and logging industry as an essential war industry.
2. Diversion of logs from newsprint to lumbering.
3. New regulations and educational propaganda to divert more manpower into the industry.
4. Important restrictive regulations on the use of lumber for civilian, industrial, railway and municipal purposes, to greatly curtail the amount of lumber now available for these industries. Also more control over lumber used by government services.
5. Drastic new restrictions on the export of balsam and hemlock logs, to the United States from the Pacific Coast area.
6. Immediate price increases to manufacturers (chiefly in seasonal producing areas) in order to ensure additional production now needed for war.
7. Rigid maintenance of the retail ceiling on lumber prices in Canada so far as the civilian consumer is concerned.
8. Creation of a new Lumber Division of Commodity Prices Stabilization Corporation to subsidize where necessary, the production of lumber either in the production stage or to absorb the "squeeze" which may develop by reason of higher manufacturing costs not recoverable from civilian consumers.

(Continued on page 2, col. 6)

Power Shortage Cuts Ontario War Production

By ARTHUR D. ELLWOOD

Critical nature of Ontario's power problem was driven home this week when a few extra clouds in the sky and a rainy day compelled engineers of the Ontario Hydro-Electric Power Commission to shut off the power in war industries in the Niagara district.

Any cloudy, rainy day brings a jump in power use, a jump which only becomes serious when there is no reserve power available. This condition has arrived for the Niagara district. So serious is the situation that a shift of as little as 20,000 h.p. in the peak load requirements of the Niagara System—which requires approximately 1.6 million h.p. of firm power—already means that war industry has to be shut off.

This week power was shut off from Ontario Paper Co.'s Thorold plant for a few hours at a time. Every effort is being made to divide the burden with the object of assuring that no one industry has to carry more than its share.

In this case the policy followed was to shut off power from the paper company for a period; reduce power being exported to supply war industries in the Buffalo-Niagara district of New York state; and then reduce the power supplied to a number of vital war industries in the Niagara area of Ontario.

This is the condition which will

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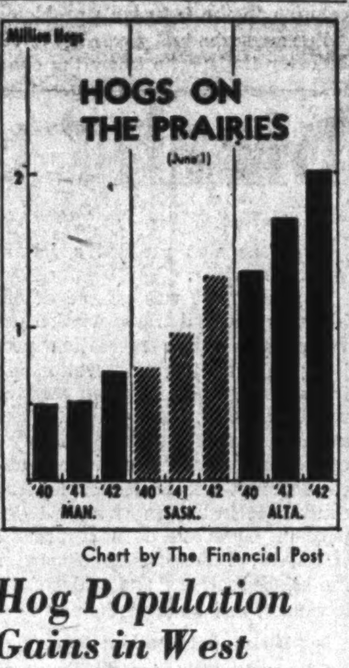


Chart by The Financial Post

Hog Population Gains in West

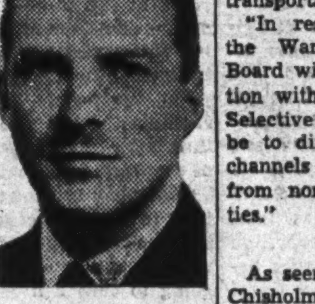
On the Prairie Provinces falls the great weight of Canada's undertaking to supply bacon for Britain. Abundant feed, close at hand is the answer to that fact and the Prairies this year are harvesting a bumper crop. A 600 million lb. bacon contract with Britain is now just being completed, preparatory to starting on a 700 million lb. order for the next year. That means many more hogs on the farms. As of June 1, 1942, the Prairies hog population totalled an estimated 4.1 millions, compared with 3.1 millions a year ago, 2.6 millions two years ago.

Form New Manpower Board

Industrial Division to Make War Workers Available

By STAFF WRITER

OTTAWA.—Creation of a new Industrial Division of the Wartime Prices and Trade Board in charge of Robert F. Chisholm, presently Wholesale Administrator to the Board, is expected to be announced shortly. The new division will be charged with finding ways and means of releasing manpower from civilian industry in the most orderly and intelligent fashion.



ROBERT F. CHISHOLM

It will work in very close co-operation with Elliott M. Little, director of National Selective Service, and with Harry Carmichael, newly-named production chief in the Department of Munitions and Supply.

Development of this new and important function of the W.P.T.B. was forecast by Prime Minister King in his recent public statement on manpower. Said Mr. King:

"The government has decided that non-essential civilian activities should be curtailed or eliminated. The Wartime Prices and Trade Board, which exercises control over civilian trade and industry, has been directed to put this policy into effect by such measures as appear necessary for the purpose. Additional manpower for war service will thus be made available as rapidly as possible.

"Besides restricting and eventually eliminating non-essential activity, measures will be taken to ensure that minimum essential needs are satisfied by the use of the least possible amount of manpower, materials, machinery, fuel, power and transportation.

"In restricting civilian activity, the Wartime Prices and Trade Board will act in closest collaboration with the Director of National Selective Service, whose duty it will be to direct into the most useful channels the manpower released from non-essential civilian activities."

Form Labor Pool

As seen at the present time, Mr. Chisholm's main immediate duty will be the co-ordination of information from various W.P.T.B. administrators relating to the manpower available in their respective fields. This listing of workers and their duties will then be made available to Elliott M. Little, director of National Selective Service.

This will lead to a giant pooling of the Dominion's labor supply. Some labor from all less essential industries will be drawn off.

Much of the groundwork for this new lining up of Canada's labor supply has already been done by the Division of Simplified Practice under the directorship of Hugh A. Mackenzie. It is expected that the new Industrial Division will incorporate the Division of Simplified Practice into its operations.

Robert Chisholm who heads the new Industrial Division started his business career with De Forest Crosley Radio Corp. in 1926. He left that company in 1932 to learn the technique of industrial engineering with special reference to merchandising. He was associated for six years with J. D. Woods & Co. of Toronto, analyzing production methods and practices with a view to finding ways and means of getting maximum output at the lowest possible cost. He was invited to join the wholesale firm of Gordon MacKay & Co. in 1938 to put his ideas into practice. He was sales manager of that company when he came to Ottawa in the early days of the price ceiling as wholesale administrator.

It's Your MONEY

. . . that is being spent to maintain government mailing lists that in many cases are years out of date.

A case was reported recently of a boy who made an enquiry of the Department of Agriculture regarding the keeping of rabbits. The boy is long since grown into a man but the literature keeps coming in all the same—going, of course, direct to the waste-paper basket — at your expense.

New N.S.S. Plan Separates Army and Civil Needs

By STAFF WRITER

OTTAWA.—A reorganization of National Selective Service and appointment of two new division heads or associate directors is expected in the near future.

The reorganization will split the N. S. S. into three parts under Director Little. There will be a complete separation of civilian services under one new top-ranking dollar-a-year executive. There will be a new branch to handle manpower in respect of the armed service. The third branch will be staff and administration which will remain under Paul Goulet, now associate director with Mr. Little.

Under the Civilian Services branch will be a number of important subdivisions, including the Employment Service offices in charge

(Continued on page 4, col. 1)

Cut Waste in War Plants

Carmichael to Foster War Industry Efficiency

By STAFF WRITER

OTTAWA.—A nationwide "blitz" to conserve manpower and materials in the output of munitions of war will be the first major job tackled by Harry J. Carmichael, Canada's new war production czar.

Canada's output of war munitions (apart from foods, metals, etc.,) is now nearing the rate of $3 billions annually. It is expected to exceed this by 20 to 25% in 1943. In face of a critical shortage of manpower and a growing scarcity of materials, it is considered impossible to maintain this rate without a new and radical approach to streamlined production.

Planned is a programme which will reach into every plant and factory in the Dominion and which will attempt to bring to every employer and employee a new knowledge and understanding of what is already being done by conservation and new techniques in individual plants.

Conferences will shortly be held in key cities starting in Toronto and Montreal at which war contractors will be able to see evidence of what is being done in individual shops to conserve materials, reduce costs, eliminate unnecessary handling and labor. The work done by the Industry and Subcontract Co-ordination Branch in this field (which branch is now placed directly under Mr. Carmichael) will be expanded and enlarged.

Hand-in-hand with this plan for improved production technique will go important conservation plans worked out in co-operation with Elliott M. Little, Director of National Service, and Robert F. Chisholm, newly named head of the Industrial Division of W. P. T. B. Under Mr. Carmichael, the Dept. of Munitions and Supply now has a single co-ordinator who has authority to speak for all the production units of the department, including the Crown companies which actually produce war supplies.

One problem which will be tackled immediately is the question of work distribution in relation to manpower, housing, etc. It is admitted that many errors have been committed in the past through failure to link manpower and production most efficiently. The new approach will be to distribute work in future where there are people avail-

(Continued on page 4, col. 3)

Port Hope: Tory Rebirth?

Lay Conservatives Blaze a New Trail For Democracy

By STAFF WRITER

This week, in a conference at Port Hope, a group of 150 "non-professional" Conservatives demonstrated two things:

First, that parties with the fine traditions of Canada's Conservative party do not die easily. There were enough alert, eager citizens at Port Hope to have founded a new party if necessary. But they preferred to preserve and strengthen an old one.

Second, that there is a better way to fashion party platforms than by calling a "national convention" where the delegates too often comprise only a claque to vote, in a mood of obedient regimentation, for the "cut-and-dried" formula of the party's professional leaders. The Port Hope policies were hammered out by the delegates themselves after much candid and vigorous debate. Everyone had his say, free from the petrifying influence of party bosses.

No Pussyfooting

There were radical thinkers at Port Hope and there were traditionalists. In the end they agreed, with remarkable unanimity, on what they wanted. But the result was a proposed Conservative platform which could, in a friendly spirit, be called a "middle-of-the-road" policy, or with more critical candor could be shown to be a bundle of compromises and inconsistencies. At least it was bold. The "lay" Conservatives did not pussyfoot in drawing their blueprint for a brave new world.

Thus the programme mirrored faithfully the confusion of modern political attitudes. It reflected the conflicting pressures of a multitude of class, sectional and ideological demands.

The platform sought to express the dignity and courage of democratic man. Patently "screwball" ideas were rejected. But the State as the paternal protector and the bountiful provider won out, in the end, over the State which governs best when it governs least.

Revolt Against "Packing"

This unofficial meeting of Conservatives at Port Hope had its beginnings in Ottawa last November. At that time many "non-professional" members of the party came to the conclusion that national party conventions afforded them little opportunity to express their views. They did not object to the selection of Rt. Hon. Arthur Meighen as national leader of the party but they took very strong objection to the manner of his selection. The professional workers in the party, the powers behind the scenes, the elected M.P.'s and the Conservative Senators, they thought, jammed and "packed" every meeting. Through the inability of the rank and file members of the party to give expression to their aspirations, a great party, was, they feared, dying an untimely death. They did not want to see it die and they did not think the people of Canada wanted to see it die, for if it died there was nothing but Socialism—the left—to form an alternative government.

New Banners

These people, who wouldn't let their party die, sought a more virile and progressive approach to the political problems of the day. They wanted new colors to nail to the mast; new banners that would include the political colors of the age.

The primary question, they thought, was not the question of leadership because there was little left for anyone to lead. If the Conservative party could find for itself a platform or set of policies that would appeal to the people, that would express a true Canadianism, the question of leadership would settle itself. The glass slipper was the important thing; the Cinderella to wear it would be sure to turn up.

The meeting which brought 150 "lay" Conservatives together outlined a new proposed platform for the Conservative party. It is still an unofficial platform. It commits no one, not even the people who attended the meeting, for there were a number of non-Conservatives present. But there is every intention of following up the work that has been started. Further meetings will be held. Provincial party gatherings will be called in an endeavor to obtain official assent to the platform proposed. The purpose is to rally strong forces behind the platform in the hope that it may be laid before a national convention of the party in the near future. With public opinion behind it, the delegates hope, it may have some chance of escaping the constricting controls of

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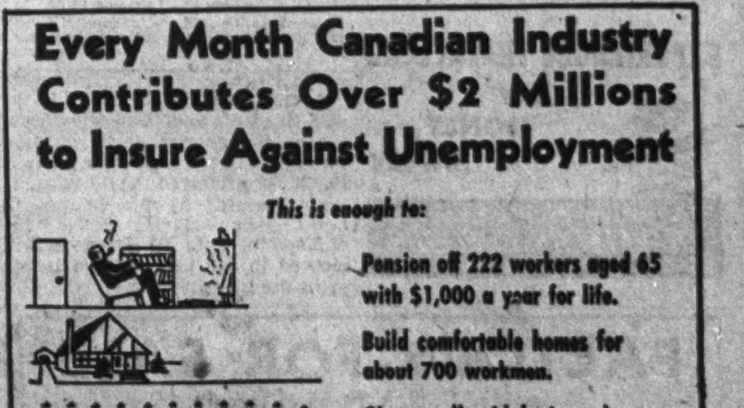

Chart by The Financial Post

Since Canada's unemployment insurance plan came into operation on July 1, 1941, Canadian employers have been contributing an average of over $2 millions a month to the fund. Beginning at $1.3 million in July last year, they reached $2.4 millions in March, 1942 and are believed to be somewhat higher than this now.

Employers' contributions each month are matched with equal contributions from the workers themselves while the government contributes one fifth of the total.

MEN'S SHOP

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NO ADMITTANCE
EMPLOYEES

TOPCOATS

OF TAILORED DISTINCTION

You can not only count on the expert tailoring of topcoats from the Men's Shop—but you have the satisfaction of getting good quality woollen materials as well—the two most important factors from the standpoint of appearance and wear. Choose from a wide selection of styles—raglans, fitted models in bold and tweed effects, as well as more conservative tones.

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Civil and Military Outfitters

at EATON'S - COLLEGE STREET

DIVIDEND NOTICES

Silverwood DAIRIES, LIMITED

PREFERRED DIVIDEND NO. 13

NOTICE IS HEREBY GIVEN that the regular semi-annual dividend of twenty cents (.20c) per share has been declared on the Preferred Shares of the Company, payable October 1st, 1942, to shareholders of record at the close of business September 19th, 1942.

COMMON DIVIDEND NO. 4

NOTICE IS ALSO GIVEN that a dividend of twenty cents (.20c) per share has been declared on the Common Shares of the Company, payable October 1st, 1942, to shareholders of record at the close of business, September 19th, 1942.

BY ORDER OF THE BOARD

J. H. GILLIES,
Secretary-Treasurer.

London, Ontario,
September 8th, 1942.

The Great West Saddlery Company Limited

6% Cumulative First Preference Stock ($50.00 Par Value)

6% Cumulative Second Preference Stock ($50.00 Par Value)

A dividend at the rate of six per cent (6%) per annum or Seventy-five Cents (75c) per share, being the accumulated dividend for the three months ending September 30th, 1942, on the First Preference Stock, and for the three months ending September 30th, 1940, on the Second Preference Stock, has been declared and authorized to be paid on September 30th, 1942, to all First and Second Preference shareholders of record with the Transfer Agents of the Company at the close of business on September 16th, 1942.

By Order of the Board.

J. C. BROADFOOT,
Secretary.

Winnipeg, Man.
September 8th, 1942.

Canadian Celanese—In addition to the regular 25 cents, directors of the company have declared an extra dividend of 35 cents a share, payable September 30 to common shareholders of record September 18. In the last quarter the company paid an extra of 25 cents a share.

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Loew's London Theatres Ltd. has sold its assets to an undisclosed purchaser for approximately $270,000. The sale will net about $8 a share on the 33,741 preferred shares outstanding. Operated by the company is Loew's theatre, largest movie house of London, Ont. No change is anticipated in the name of the theatre or in the management.

EXPERIENCED TRAVELLERS CARRY MONEY SAFELY

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FACTORY FOR SALE

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LARGE WOODWORKING PLANT

equipped with Dry Kilns. Will be sold with or without machinery. Hydro-Electric plant adjoining gives free power plus revenue from distribution.

For particulars: F. M. Moffat,
199 Bay Street, Toronto, Ontario.

The War and Business . . .

War Uses Scrap Metal

More than half of the reclaimed rubber in Canada is now going into war production, according to a statement from Hon. C. D. Howe, Minister of Munitions and Supply. The remainder, some 42%, Mr. Howe said, was being used in manufacturing essential civilian articles such as rubber footwear, protective clothing, gloves, insulation for wire and cable, certain tire repairs, etc.

Mr. Howe warned against believing reassuring rumors that tend to debunk the necessity for civilians conserving and turning in every bit of scrap rubber.

• • •

Importance of Brazil

To the average Canadian the entry of Brazil into the war on our side, was of little account. Expert observers, however, have an entirely different impression. The propaganda effect on other South American republics, they say, and also on Spain and Portugal will be very important.

Of immediate value, too, should be greater success in the fight against submarines. Brazil has a helpful navy and a considerable coastline. The change should also facilitate efforts of the United Nations to secure adequate bases for offensive action across the South Atlantic to Africa.

On the debtor side of the picture, observers see a step-up in the export of war materials from United States to Brazil but with American production now getting into high gear this is not expected to be any very serious strain.

• • •

Anti-freeze

Owners of automobiles and trucks will have to get along with ordinary alcohol this winter in their radiators. All of the more permanent anti-freezes will be diverted to the making of explosives and war chemicals with the exception of a very small supply for use in industrial out-door machinery such as cranes, graders, rollers, crushers, mixers, tractors, railroad car refrigerators, hydraulic locks, etc.

Anti-freeze for these purposes, however, will never be marketed through the ordinary channels of service stations, and garages but will be sold direct by the manufacturer under special permit to the users. Anti-freezes with glycerine base were banned early last year but the new order now includes all the more stable solutions formerly sold.

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Big Outlay in Airports

To the layman the average airfield only appears to be a slight improvement over an ordinary bit of farmland. Actually, however, it represents an enormous investment in labor and materials. An example is furnished by official statistics just issued in regard to the airport at the plant of the de Havilland Aircraft near Toronto.

The port covers 270 acres of level land a large part of which has been graded, and drained. There are enough drain tile buried in this field to provide storm sewerage for a good-sized town. Each of the hard surface runways will be more than two miles long when all are completed and the whole of them would be equivalent to 18 miles of first-class highway.

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Few Workers See Lancaster

When the big British Avro-Lancaster arrived at Malton the other day there were so many newspapermen, officials, local dignitaries, etc., on hand to go through the ship that the main purpose of the visit was almost overlooked.

It was publicly announced that Britain's newest and the world's largest bomber was flying to Malton so that workers in the nearby National Steel Car Corp. plant would be able to see the type of craft they are going to build next. The workers were there to greet the Lancaster but time was so short, by the time it came their turn for inspection that lots had to be drawn with 15 out of every 100 getting an opportunity to go through.

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Smart Assistants

Long-time friend and former business associate, Campbell Smart, Montreal advertising executive, is understood slated to be the chief assistant to Charles Vining, who heads up the newly established Wartime Information Board. Plans are being made to co-ordinate and broaden the publicizing of Canada's war effort both at home and abroad. Particulars regarding the new organization are expected to be made public about the middle of the month.

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Total Confiscation

Mr. Ilsley's new rate of income tax does not bother all the rich men. One rather wealthy businessman in Montreal says the new scale of taxation does not affect him. For some time past he has gone on the assumption the government is taking all his current income. To keep up his own domestic establishment and other obligations, he has been living on his capital since 1940. For men of this type, and there are more than one, the new income tax certainly meets with the demand of the C.C.F.'ers for "confiscation of wealth."

Power Plan Now Ready

(Continued from page 1)

is the principle "no electricity for advertising."

This means a blackout of electric outdoor signs the end of this month.

Store window lighting will be prohibited for the duration. Big departmental stores and the corner grocery store will be permitted only sufficient electricity to light up doorways; not one kilowatt hour will be available for "display" or "advertising" purposes.

Just what will be done in connection with domestic consumption has not been made clear as yet. A reduction of 10% on the domestic load would contribute substantially to the supply of power available for war industries.

Two operators likely to feel the effects of the Power Controller's new order are Hydro-Electric Power Commission and Montreal Light, Heat & Power Cons., the largest publicly and privately owned operators in the Canadian industry and serving the most densely populated areas.

Last year Montreal Power's $30 millions of revenue came from 11 basic sources. The domestic power load contributed $4.5 millions or 15% of the total income; while the commercial load made up 17.9% or $5.4 millions.

Duplessis Takes Issue With Newsprint Control

From Our Own Correspondent

MONTREAL.—Maurice Duplessis, former premier of Quebec and head of the National Union Party, has come out in opposition to the Federal Government "giving the Newsprint Controller extensive powers to regulate the operations of the pulp industry by closing certain mills and diverting their orders to other plants."

Such powers jeopardize one of the basic industries of Quebec, claims Mr. Duplessis. "The entire economic setup of Quebec is endangered for the benefits of other sections of the Dominion," he added without enlarging upon the point.

New Controls For Lumber

(Continued from page 1)

In the case of the latter, subsidy payments will be closely linked with profits and no retailer continuing to earn more than standard profits will be eligible for assistance.

Surplus Vanishes

Behind this important and far-reaching programme, affecting the well-being of one of Canada's greatest national industries, lies a series of dramatic and colorful episodes which have been unfolding at Ottawa, Washington, London and elsewhere in the past four months. Until April of this year, it looked as if Canada's lumber programme might approach equilibrium with supply even exceeding demand. Lumber destined for the U. K. was piling up on Canadian docks due to lack of shipping; the Canadian demand gave some indication of tapering off; the United States was not using Canadian lumber in its official defense programme.

Within a few weeks (while Controller Nicholson was in England negotiating for continued sale of Canadian lumber) the situation changed. Britain upped her requirements materially and provided shipping to meet the increased demand. The United States realized that her supply would fall short of requirements by something like six billion board feet (almost twice Canada's total production in prewar years) and turned to the Canadian market to meet her deficiency. She removed restrictions on Canadian lumber last May and at once orders started to flood the Canadian market.

The rate of requirement for domestic lumber use in Canada almost doubled and has since been further swollen by the largest grain crop in Canadian history which is requiring huge quantities of lumber in various forms. These greatly increased demand factors came at a time when the shortage of manpower in woods and other lumbering operations became alarmingly and progressively acute.

First Plan Scrapped

This is the situation which has been taxing the ingenuity of control authorities in Canada in recent weeks. As a solution, there was proposed and almost accepted by Ottawa officialdom, the setting up of a mammoth public corporation which would have meant virtual socialization of the entire lumber industry in Canada for the duration of the war. The idea for such a corporation apparently originated in western Canada within the industry itself. For a time it was seized on by some officials here as the only solution to the industry's problems.

But men who had grown up in the industry itself; who knew the character and viewpoint of the operators, argued strongly against any such step. It was their belief that once the government assumed responsibility for production there would be nothing short of chaos and calamity in an industry where the bulk of production is spread among thousands of individual, independent operators whose basic and continuing urge to production has been the profit motive and whose awe and dislike for government regimentation was proverbial.

Out of the controversy came the present plan, developed largely through the initiative of Timber Controller Allan Nicholson, whose entire life has been spent in the lumber industry.

Prices to Rise

One important part of the programme for eastern operators especially is the implementing of a promise made to the industry by Controller Nicholson last year that if Canadian operators would put their backs into the job and continue to produce lumber despite price control, manpower troubles and other restrictive measures, they would not be "stuck." Thus the new programme offers most manufacturers a price increase in order to meet increased costs of woods operations, labor, etc.

The new price schedules are now tentatively agreed upon and are expected to be announced within the next few days. It is hoped that, taken in conjunction with other phases of the plan, they will have an important effect in stimulating woods operations which are now commencing in most parts of eastern Canada.

As already indicated, there is to be no increase in price to civilian consumers and price increases for the time being must be absorbed by retailers and industries. Retailers who need relief from the resultant "squeeze" will be required to obtain it through the new Lumber Division of Commodity Prices Stabilization Corporation which it is expected will be set up shortly and headed by an experienced lumberman. In giving this assistance, the Controller's statement makes clear that "the usual formula of profit control will be applied, i.e., no retailer earning more than standard profits will be eligible for assistance."

Statistically, the problem facing the industry is that 1941 production of five billion ft. is expected to slump by as much as 20% to possibly four billion ft. in 1942. Of the 1941 output, Canada used 2¼ billion ft.; United Kingdom and U. S. 1¼ billion ft. The remaining ¼ billion ft. was exported to other countries.

Port Hope: Tory Rebirth?

(Continued from page 1)

the political hierarchy who are, to such a degree, anathema to the more alert rank and file of the party.

Abandon Tradition

The platform that emerged was neither dynamic nor dynamite. But it had its history-making points. There was certainly no effort to hold to all the traditional policies with which the name of the Conservative party, in the past, has been associated. Most striking departure from former policy was the abandonment of the "National Policy" of protection in favor of acceptance of the idea of the complete economic interdependence of all nations. True, a "guiding principle" was offered for tariff policy: "the extent to which tariffs contribute to the assurance of gainful occupation and maintaining real standards of living." But the keynote was against "barriers to trade."

Familiar, resounding phrases on the tariff were not the only clichés that went out the windows at Port Hope. The most striking and the strongest statement put on the record by this band of non-professional—or mostly non-professional—members of the party was a vigorous re-affirmation of belief in the "basic Canadian tradition of individual initiative, individual enterprise and opportunity."

It was accepted that a fundamental objective of the state must be "full employment" for its citizens. But it was urged that government should seek to achieve this objective by creating conditions under which "the maximum volume of employment and the maximum national income may be assured through the initiative and enterprise of the people themselves." There was further reference to the need for "encouragement of private enterprise." Only where private enterprise failed or was unable to provide full employment was the state to step in and develop "socially useful undertakings."

Revival of "Liberalism"

A goodly part of the final conference report had the appearance of a challenging reassertion of the honest, healthy Liberalism that has almost disappeared from modern political thinking. Emphasis was put on spiritual values; on the essential worth of the individual; on the safeguarding of the liberties of the subject; on the elimination of bureaucratic controls (except those necessary to prevent exploitation of producers, workers and consumers); on economy in public expenditure; on private enterprise.

To that extent the Conservatives came out for policies which the C.C.F. could not and would not support. To that extent they made no effort to "out-C.C.F." the left-wingers. They stole many planks from the Liberals; planks they think the Liberals have pledged but not practised.

But liberalism and traditionalism are not all the conference report contained. Most of the 25 odd resolutions were pledges that involved new or expanded intervention by the State in the social and economic life of the country.

Thus the report is as self-contradictory and inconsistent as most party platforms. The conflict within all the old line political parties between the freedom of the individual and the claims of collective society; the problem of how to make the State the senior partner of society without letting it be the dictator of all human activities — these riddles stand out in bold relief.

In the result, a report that urges the traditional Canadian concept of individualism does not hesitate to call for hundreds of millions of dollars of assistance for farmers and other primary producers for maintenance of prices of their products; for putting governmental power behind the activities of labor unions with penalties against uncoöperative employers (no penalties suggested for uncoöperative workers and union leaders); for large scale low-cost housing schemes; and for slum clearance plans that will provide houses even at less than cost for low income groups; for organizations to protect small scale traders; etc.

In the end the conference proposed many things that it expects from the Santa Claus state of the future. The invitation to gather around the Christmas tree was a wholesale one.

Is It Socialistic?

It may be asked wherein such a programme or platform differs from that of the C.C.F. or any other Socialist party. The difference is there; whether or not it is fundamental may be argued. The difference lies chiefly in the Conservative group's insistence that no matter how much the government should control the economic activities of the nation; no matter how much it should spend to insure education, security and a basic standard of living for all citizens, the major productive and service activities of the nation should be carried out by private enterprise. Thus there was no attempt to urge nationalization of railways, public utilities, industry, mining, etc. Private enterprise was to be the horse that would do the nation's work but with the double check-rein of many continuing controls and heavy taxation.

In all the proposals for social security measures the contributory feature was stressed. The State was to administer and support social measures but only as a partner of the individual citizen.

People Demand "Jobs"

The background of the compromise Utopianism that was arrived at lay in the fact that most of the delegates came to the meeting with a single thought ringing in their ears; the thought that they had found the people of Canada to be concerned about one matter more than any other (after the winning of the war). That matter was "jobs." People, they had found in their contacts in the back concessions and at the factory gates of the country, were concerned with how they were going to earn a living in the post-war period. People did not want relief, no matter how willing they were to accept sugar daddy government in respect to housing, social services, etc. They wanted to know where the next job was coming from.

Taxes and Enterprise

The Conservatives had heard of the Keynes-Hansen theories that it was the major function of the state to maintain the national income so that there would always be plenty of jobs for everyone. They apparently were not ready to go all out for that programme. So they sought to make the best of the two worlds of private enterprise and state enterprise. In effect they decided that the country ought first of all to try to promote gainful employment by making it possible for private enterprise to create jobs; but that there should be an ace in the hole in the willingness of the State to spend whatever sums were necessary to insure that everyone had a job willy-nilly. The issue of whether or not the scale of taxation necessary to carry out the Christmas tree programme adumbrated would permit private enterprise and initiative to survive was not faced.

It was true, of course, that the conference recognized that their plans called for large-scale government expenditures (how large no one attempted to estimate). The delegates asked for the expenditures to be financed by "adequate taxation of the national income." Someone asked the question "How else can it be financed?" but no answer was forthcoming. Apparently this resolution was intended to indicate (without saying so) that the Conservatives had little faith in "funny money" or "deficit spending" schemes to pay the bills without cost to anyone.

Promises and Pledges

And the bills, it was obvious, would be heavy. The farmer was pledged conservation, a Central Farm Bank, maintenance of prices through a Price Stabilization Corporation; debt adjustment; assistance for co-operatives.

The fisherman was pledged higher prices.

Labor was offered a government board to fight its battles.

The small trader was offered consideration for his problems.

Everyone was pledged a job as well as security.

A programme was offered of air, highway and rail transportation development; public recreation projects; reforestation, conservation and irrigation schemes; co-operative weed clearance, flood control, water storage plans; industry surveys; educational grants to provinces; unemployment insurance, contributory retirement insurance (with old age pension increased until it became effective); increased pensions for the blind; mothers' and widows' allowances; and state medicine.

Rising Internationalism

Of outstanding importance was the fact that the conference went firmly on record in favor of international co-operation (as distinct from isolationism in political affairs and economic nationalism in economic affairs.) "We believe that if a peace is worth fighting for it is worth preserving. We are opposed to the isolationist view . . . The peace . . . must produce a world in which the benefits of specialized production are not destroyed by barriers to trade . . . We endorse the aims of the Atlantic charter."

Equally forthright and outspoken was the resolution on conscription, concurred in by the French Canadian delegates. Efforts to substitute such phrases as "national selective service" for conscription were howled down. "We demand the immediate and complete conscription of the manpower of the Dominion for the armed services for duty in any part of the world." There was a further declaration for complete mobilization of all resources for a total war effort. The programme for post-war Canada may have been one of honeycake and sugar but for the war it was one of blood, sweat and tears.

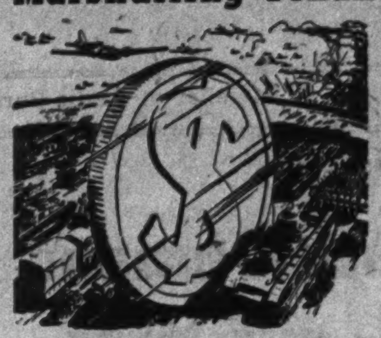
The labor planks were fashioned with invited representatives of the unions sitting in. They represented an unequivocal demand for collective bargaining with government sanction behind it.

Too Many Lawyers?

The conference seemed to consist too much of lawyers with the inevitable consequence that much of the argument was more persuasive than practical, and that much time was wasted on minute shiftings of words and phrases. Two groups were sadly missing. Most of the younger men of military age could not be present for obvious reasons. (The youngest delegate was somewhere about 30; the oldest was proud to be 76. The average was perhaps 45.) The industrialists and financiers were also too busy on war work to be able to take time out for even so useful a work as fashioning a programme for one of Canada's two great traditional political parties. Not many of them were present.

HOLD HIGH THE TORCH OF FREEDOM

Marshalling Financial Resources



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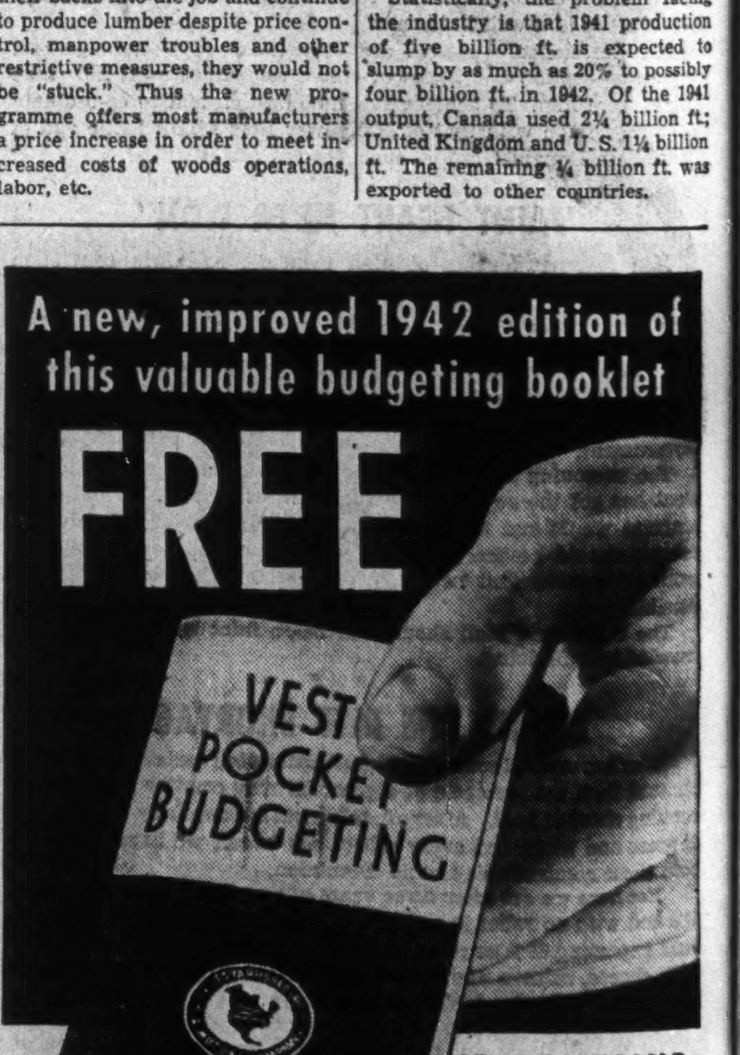

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This Week The Financial Post Asks

What Should We Do About Wheat?

P. C. Armstrong

Special representative of the Canadian Pacific Railway and close observer of agricultural and economic trends especially in western Canada.

It is not either possible or necessary to decide at this moment how much land should be seeded to wheat in western Canada in the spring of 1943. No serious alteration of farm activities for the next six months is dependent on this and no vital saving of material or manpower could be accomplished by even a total suspension of wheat growing next year assuming that western farms are to continue other forms of production.

Western farmers will themselves give serious and realistic consideration to this question during the next few months and on the outcome of this, together with possible important changes in international and internal economic conditions, must depend the decision to be made a few months from now. The wise present course would seem to be to encourage such consideration and meanwhile to use every effort to encourage other forms of agricultural production.

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Col. Henry Cockshutt

Chairman, Cockshutt Plow Co. and prominent in Canadian industrial circles.

It is my opinion that there should be no interference with the farmers' rights or privileges so far as production of crops is concerned. The wheat situation should adjust itself in a short time. The crop is not yet harvested and it is not safe until the wheat is threshed. This is my experience over many years. Throughout the world there are good and bad crops each season and the surpluses find their levels.

• • •

E. C. Gilliat

Managing secretary, Winnipeg Board of Trade.

Facing facts as they exist I believe the economic stability of the prairies requires production of wheat as a *major* crop next year. I *also consider* surplus wheat stocks a valuable asset to the war effort and peace settlement. At the same time the policy of encouraging diversification of crops to permit further expansion of livestock and dairy industries also provide raw material for a wider range of industrial uses should be strongly maintained.

The fruits of this policy resulted in the smallest wheat acreage this year since 1925, area sown to coarse grains was four million acres more than last year and output of livestock and dairy products heavily increased with further expansion assured for 1943.

In considering the question of more direct war production it should be noted that consistent prairie demands for a greater share of war industry have gone practically unheeded.

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R. J. Deachman

Well-known Ottawa writer on economic and agricultural subjects, former head Consumers' League of Canada, former M.P. for Huron South.

More people went supperless to bed last night than ever before in human history. Every bushel of Canadian wheat will be urgently needed as soon as war ends. The manpower available for transfer from wheat growing to other industries is largely over age and untrained.

Any transfer would involve liquidation of existing capital invested in wheat growing because it is not readily transferable. Continued cultivation of abandoned acreage or reseeding to grass would be essential to avoid the menace of weeds. There are better alternative methods of accomplishing the same purpose with less danger of intensifying the difficulies of postwar readjustment.

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H. R. Jackman

M.P. for Toronto-Rosedale, and well known in financial and economic circles.

With Canadian carry-over of 400 million bushels and estimated crop of 500 million bushels together with generally large world crop and carry-over, I believe wheat acreage should be decreased. A reasonable prosperity for wheat farmer can only be permanently assured if world markets are not glutted.

Increased mechanization of agriculture strengthens further the argument for switch of manpower to more necessitous war production. Wheat is war production but not too much wheat. Where else have we a war reserve equal to that of wheat? The United Nations' surplus already protects us against the vagaries of nature.

The conversion of grain into meat should be encouraged. The war effort needs another three million Canadian hogs. The beef shortage is acute. Production not price ceilings will defeat Hitler. Chemurgy, e.g., conversion of grain alcohol into synthetic rubber, etc., should also be pursued as a partial solution.

Nature's bounty—27 bushels to the acre against an average of 17—has contributed to an existing agricultural manpower shortage, and this despite less acreage sown to wheat. To facilitate further transfer of workers to war industry the government might well consider indemnifying farm owners through loss of farm help.

The present government policy reflects a contest between agriculture as a way of life and as a business. The battle is too precarious to risk an unbalanced programme of war production. There is a surplus of wheat and a shortage of the tools of victory.

• • •

Dr. J. E. Lattimer

Professor of economics, Macdonald College, Quebec.

We should switch from wheat to the products in demand such as bacon, dairy products, beef and poultry. This shift is already occurring, particularly in growing coarse grains and bacon production.

Bumper crops and the present carryover of wheat is not alarming as the yields per acre from 1939 to 1942 inclusive have been 20 bushels an acre. Yields from 1914 to 1917 inclusive were 18 bushels. From 1914 to 1919 inclusive the yields were 15 bushels. The barley crop of Western Canada this year is estimated by the Searle Grain Company at 248 million bushels. Production of barley in the 7 years 1914 to 1920 in area totalled 245 million bushels.

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Leonard C. Marsh

Research Adviser to Committee on (postwar) Reconstruction, Ottawa.

War pressures and the drastic remaking of the world trade map have already wrought unprecedented results in diversion from wheat to livestock, dairy produce, and a variety of non-cereal crops in the West. The problems of restoring agriculture, especially in Europe, will be so intense that almost certainly much of this must continue in the immediate post-war rehabilitation period. Wheat will not be enough for Britain.

In the longer run pattern of the reconstructed world there are strong arguments for more domestic consumption crops and less single crop specialization all round. But there are obvious limits for particular farms, especially mid-prairie districts. The success of the policy, in my opinion, hinges essentially on national planning to ensure reorganization equitably developed, and in the fullest Canadian participation in international agreements between the United Nations.

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Robert Raynault

Publisher, La Ferme, monthly agricultural magazine, Montreal.

Without suppressing the culture of cereals, farmers should be invited to convert on the spot part of their grain into animal products such as meat, wool, eggs, milk, etc. In such a case, the growth of crops with large protein contents should be encouraged.

That policy would have three important advantages. It would enable us to supply our allies, prevent us from rationing the Canadian people too severely and would finally free much of our transportation facilities. A more varied culture would also favor considerably the keeping up of the fertility of our land.

• • •

Major H. G. L. Strange

Well-known Canadian wheat authority and head of Research Dept., Searle Grain Co., Winnipeg.

Prairie farmers are more than willing to switch wheat acreage to any product the government desires that farmers can produce and sell without loss. But wheat is valuable as a munition of war, so we must not therefore permanently harm this important industry.

I would suggest that the government should buy all the present wheat crop, then for the duration of the war reduce the wheat acreage to 19 million acres. The government should then guarantee to purchase all wheat produced from this acreage, and all agricultural products from the remaining acreage, making adequate cash allowance for cultivation and maintenance of any acreage taken out of wheat that cannot be put economically into any other crop.

Over a term of years this would probably reduce somewhat the existing wheat surplus and will enable our 300,000 prairie farming families to live. Farmers can be moved to other industries, farms cannot, but must be cultivated and maintained whether producing or not.

• • •

Hon. J. G. Taggart

Food Controller and Minister of Agriculture for Saskatchewan.

You have the wrong pig by the tail. There is no real alternative to grain growing on the Prairies. There are useful, necessary alternatives to direct sales of grain—mainly feeding to produce meat, dairy products, poultry, eggs.

These are all in short supply at fair or good prices. They are urgently needed for immediate use by fighting men and civilians. They can be produced by feeding grain of whatever kind is best adapted to soil and climatic conditions.

• • •

W. G. Weir

M.P. for Macdonald constituency, Carman, Man.

It is generally agreed desirable to switch Western Canada's agricultural production towards a greater degree of diversification and during the war to the products most needed. There is no occasion to be unduly concerned over prospects of a large wheat crop this year. It is more satisfactory to have a crop than a failure even if they are unable to market the surplus. A similar acreage last year produced about one half the estimated crop of this year.

It is unnecessary and undesirable to resort to compulsion to change agricultural production. It can be accomplished on a voluntary basis. All that is necessary is to advise of the type of production required and provide a price relationship that will assure a reasonable return.

Farmers have responded to every request made of them. Witness the 25% reduction of wheat acreage in one year and the request for increased production of coarse grains and other products.

Power Supply At High Leyel

Small Falling Off in July Due to Less Secondary Power

From Our Own Correspondent

MONTREAL. — Because of the falling off in secondary power output, overall production of central electric stations in July at 2,965 million compared with 3,043 million in June and 2,661 million kw.h. in July last year.

The secondary power declined from 342 million to 14 million kw.h. On the other hand, firm power increased from 2,701 million to 2,751 million kw.h.

On a daily basis the July rate of production of firm power was 1.4% lower than in June. The decline was less than usual.

Record Consumption

Consumption of firm power in Quebec increased from 950 million kw.h. in July, 1941, to 1,247 million kw.h., or by 31.2%, and in Ontario from 842 million to 938 million kw.h., or by 11.4%, as compared with an increase in the total for Canada of 17.6%.

Comparative figures on the consumption of firm power by provinces follows:

(Thousands of Kilowatt Hours)

	July	
	1942	1941
Prince Ed. Island	5,454	4,704
Nova Scotia	286,322	271,044
New Brunswick	280,192	268,076
Quebec	11,246,910	8,549,205
Ontario	4,780,595	4,442,675
Manitoba	633,322	596,935
Saskatchewan	359,792	335,971
Alberta	220,274	168,635
British Columbia	1,493,192	1,337,521
Total	19,306,053	15,974,766

Exports of electrical energy to the United States in July amounted to 196 million kw.h., composed of 123 million kw.h. of firm power, and the balance of secondary power. In July last year exports to the United States amounted to 197 million kw.h.

Montreal Stock Sales Drop to Low Point

From Our Own Correspondent

MONTREAL.—Volume of trading on the Montreal Stock Exchange and Montreal Curb Market again declined during August and was the lowest for the year.

Total turnover was 178,716 shares. This is the lowest since the Exchange and Curb Market volume was combined and compared with 234,756 shares in July, and 515,440 shares in August last year.

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La Patrie

The week-end (Saturday-Sunday) editions of La Patrie have a regular circulation of 211,971 net paid. (*Publisher's Statement March 31st, 1942*). The *best* way to reach the most people at low cost.

"MAKE IT A STATION-TO-STATION CALL, MISS WILSON"

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DAY and night, the facilities of the Trans-Canada Telephone System and its member companies must be ready to carry a flood of urgent messages vitally important to Canada's war effort. Never before was it so important that our long distance telephone service should be maintained at its normal peak of efficiency. By placing your long distance calls, so far as possible, "Station-to-Station" instead of "Person-to-Person", you will help us to do this and you will get quicker, cheaper service.

TRANS-CANADA TELEPHONE SYSTEM

THE BELL TELEPHONE COMPANY OF CANADA

Says Two Tons Tungsten Ore Shipped From Herb Lake

From Our Own Correspondent

WINNIPEG.—Approximately two tons of scheelite ore has been shipped from the Jack Nutt property on Herb Lake, 90 miles north of The Pas, Man., to the government laboratories at Ottawa, according to H. J. Hacker, well known northern prospector.

Mr. Hacker, who has had long experience in prospecting, has been visiting the north country for the past several weeks. He says so little is known about scheelite that prospectors are working in the dark. They know how to distinguish it with the aid of a mineral light but have not been given any information as to how best it may be developed.

Occurs In Narrow Veins

The Jack Nutt find, based largely on previous knowledge of the district, is said to be something different to anything previously found. Samples so far indicate massive scheelite within narrow veins. This is interpreted as meaning scheelite is the main metal rather than a by-product.

The property previously was turned down by engineers because of the narrow widths of the veins or lenses. These are said to run from an inch to six inches in width but are fairly numerous in the overall width of the break in which they occur.

The two-ton shipment would have been considerably larger but for an accident on Herb Lake in which the barge in which it was being brought to the portage at mile 82 on the Hudson Bay railway was in collision and it was necessary to jettison about a ton of the valuable ore. It is regarded, Mr. Hacker says, as the precursor of other shipments, or failing that, the establishment of a mill to concentrate the ore.

It is Mr. Hacker's opinion that the entire area around Herb Lake is rich in formations which contain tungsten. They also contain gold.

Bank of Canada Investments Up

Passing of a block of the second Victory Loan from the long term to short term category is reflected in the statement of the Bank of Canada for the week ended Sept. 2.

Long-term investments during the week fell almost $84 millions, while short-term investments rose almost $112 millions. This was partly due to the fact that on Sept. 1, $57 millions of the second Victory Loan, maturing Sept. 1, 1944, came into the short-term class, maturing in less than two years. The remainder of the switch in investments was attributed to ordinary market operations of the bank. Total investments rose $28 millions.

Note circulation was again higher and deposits of the chartered banks rose, probably due to the banks increasing their reserves against larger public deposits.

	Sept. 2 1942 $	Aug. 26 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	598,350,404	586,108,004
Rest fund	5,585,705	5,585,705
Deposits: Dom.	23,715,509	21,556,201
Banks	229,489,442	212,278,532
Other	24,974,974	17,996,025
Total deposits	278,179,925	251,830,758
All other liabs.	14,199,010	11,402,892
Total liabs.	14,199,010	11,402,892
Total liabs.	901,315,044	859,927,359
Assets		
In Sterling & U. S.	1,032,330	1,032,330
Subsid. coin	310,971	369,684
Investments:		
Dom. gov. sh.	612,471,523	500,974,836
Other Dom. gov. ..	260,852,639	344,121,695
Total invests.	873,324,162	845,096,531
Premises	2,074,260	1,996,269
All other assets	24,573,321	11,432,545
Total assets	901,315,044	859,927,359

New NSS Plan Separates Army and Civil Needs

(Continued from page 1)

of A. M. Mitchell, commissioner of the Unemployment Insurance Commission.

As announced last week, the main functions of the Unemployment Insurance Commission have been transferred to the Labor Department for the duration of the war. Under the new plan, L. J. Trottier, chairman of the Commission, will be responsible for ensuring fulfillment of obligations imposed under the original provisions of the Act; R. J. Tallon will act as co-ordinator of courts and referees and is acting chairman of the National Employment Committee. Mr. Mitchell will be in charge of employment offices in the new civilian service branch of N. S. S.

The new armed services branch will take over the work now being carried on by the mobilization division of the Department of National War Services, with the exception of the present 13 regional draft boards which will remain with that department and constitute a court of appeal.

It is expected that 58 three-man draft boards will be set up throughout Canada to administer the entire draft machinery once it is transferred from the Department of National Services to the National Selective Service administration.

Hold Fast . . .

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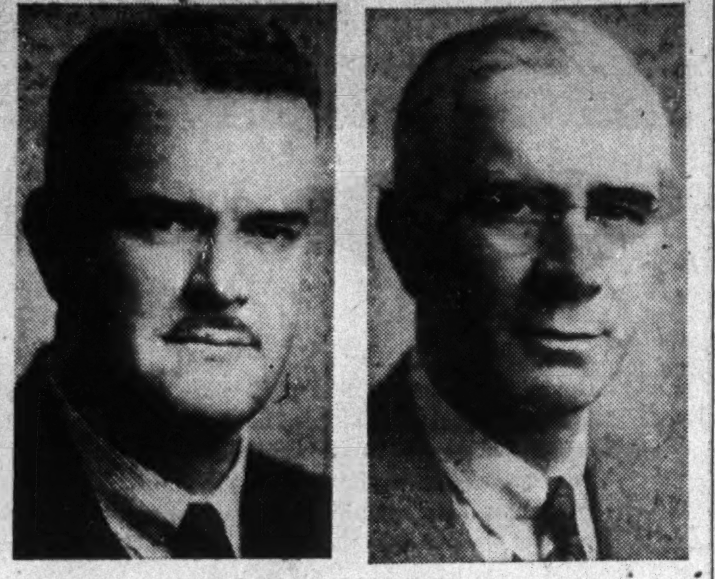
Loblaw Inc. Sales Climb

Sales of Loblaw Groceterias Inc. so far this year have increased substantially over the corresponding period of last year; total business to Aug. 15, 1942, showing a gain of 34%, a letter to shareholders states.

At present, the company is operating 123 stores as compared with 117 in operation at the beginning of the current fiscal year, Mar. 1 1942.

The letter adds that gross earnings continue ahead of last year and are on a satisfactory basis. However, with Federal tax rates for the current fiscal year not established by Congress, but with much higher rates a practical certainty, it is not possible at the present time to give a reasonable forecast of probable net earnings.



NATIONAL TRUST PROMOTIONS

H. A. Clarke (left) and H. V. Laughton, K.C., have been appointed assistant general managers with National Trust Co. Mr. Clarke was manager of the Toronto office and Mr. Laughton manager of the Trust Department before the promotion. In addition to his new duties Mr. Laughton will continue in charge of the Trust Department.

Power Shortage Hits Output

(Continued from page 1)

be alleviated — but by no means solved—by the specific restrictions on the use of electric power expected to be placed in effect around Sept. 20. Evidence developing supports the earlier estimate of Ontario's potential power shortage this fall made by Dr. T. H. Hogg, chairman of the Hydro commission. This shortage is expected to be between 200,000 and 300,000 h.p. The most that can be saved by the restrictions to be announced will not supply more than half of this amount. Where the remainder is to come from is the problem that must be solved by Hydro officials and it is considered inevitable that industry will have to give up the greater portion of it.

Push Ottawa Deal

In the meantime preliminary work is being pushed on the proposed new development on the Ottawa River. With the exception of a few details agreement has been reached on the documents necessary to complete the deal between Quebec and Ontario. No difficulty is expected in clearing the minor points that still have to be settled, particularly in view of the amicable conditions under which negotiations have progressed.

The next stage will be to arrange a meeting between representatives of the two provinces and the Dominion. The latter enters into the picture because of some old leases now in effect on the Carillon power site on the lower Ottawa. It is expected that this stage of the negotiations can also be handled readily.

What will happen when Ontario Hydro officials approach both the Dominion authorities and those at Washington for a priority rating on materials needed is not known as yet. But before any work can be done, this preliminary must be settled and the whole fate of the enterprise may rest on the attitude adopted by war planning officials at Ottawa and Washington.

In the meantime, Hydro has survey parties on the proposed site for the new power plant and dam. It is necessary to investigate the kind of rock formation that will be encountered, determine the type of foundations that will be available for the dam and complete an endless amount of survey work. This job has been pushed all summer and is expected to be completed on time.

C.P.R. Revenues At Record Level

From Our Own Correspondent

MONTREAL.—Traffic handled by the Canadian Pacific Railway during August continued to gain. Gross operating income of $22 millions represented a gain of 10.3% over the same month last year. This is the best showing made by the company for any month since November, 1928, and constituted a new August high.

For the first eight months of the current year, the C.P.R. traffic receipts totalled $165 millions. This contrasted with $139.2 millions for the same period in 1941, a gain of 18.5%.

Cut Waste in War Plants

(Continued from page 1)

able to handle it even if this involves higher costs.

In co-operation with Allan S. Nicholson, Timber Controller, there will be a concerted effort to curtail unnecessary housing in line with the new policy of drastic curtailment of the use of lumber in civilian and industrial areas. The whole housing policy in relation to better use of existing housing, doubling up of families, billeting, etc., in presently congested areas, will also be tackled.

Hamilton Experience

One recent programme in Hamilton is cited as typical of what can be done. The request to spend $750,000 and employ 700 people on an important war extension was refused because of the lack of housing and manpower in that city. The project was redistributed in idle plant capacity in Guelph and Chatham where there is more adequate housing, manpower and available facilities. The programme will still be directed from Hamilton, but only 10 men will now be required in that city instead of 700.

Wide Authority

Under the new directive issued recently by Hon. C. D. Howe, Harry Carmichael becomes Canada's first production czar with authority to co-ordinate production over a wide range of munitions and supplies. Under his jurisdiction are placed the following Directors-General and Crown Companies:

Production and Departmental Branches:

Aircraft
Ammunition and Guns
Arsenals and Small Arms Ammunition
Automobiles
Communications and Fire Control
Naval Armament and Equipment
Tanks
Gauges and Cutting Tools
Shipbuilding
Army Engineering Design
Chemicals and Explosives
Economics and Statistics

Government-owned Companies:

Allied War Supplies, Ltd.
Cutting Tools & Gauges, Ltd.
Federal Aircraft
Machinery Service, Ltd.
National Railways Munitions, Ltd.
Research Enterprises, Ltd.
Small Arms, Ltd.
Toronto Shipbuilding Co.
Trafalgar Shipbuilding Co.
Wartime Merchant Shipping.

In view of his new responsibilities, it is expected that Mr. Carmichael will be released as president of War Supplies, Ltd., which he has guided since E. P. Taylor resigned to go to Washington with the British Supply Council. It is expected that an announcement of a successor will be made shortly.

Company Reports

Ontario Steel

Throughout the year plants of Ontario Steel Products Ltd. were engaged almost entirely in war work, states Newbold C. Jones, president, in report for the year ended June 30. To meet heavy war demands it was necessary to make plant extensions and to purchase additional machinery and equipment amounting to $145,290. Depreciation provision during the year includes special depreciation sanctioned by the War Contracts Depreciation Board in connection with certain assets required for war work.

Income and Surplus Account Years Ended June 30

	1942 $	1941 $
Operating profit	533,413	539,626
Add: Other income ..	5,187	7,228
Total earnings	538,600	546,854
Less: Exec. remun. ...	41,609	43,975
Directors' fees	1,850	2,200
Legal fees	327	505
Depreciation	124,484	67,460
Interest	3,806	4,331
Income & E. P. tax.	220,000	275,000
Inventory depr.	......	10,000
Net profit	146,523	143,383
Less: Pref. divds.	25,221	25,221
Common divds.	60,550	60,550
Surplus for year	60,752	57,612
Add: Prev. surplus ...	380,496	322,884
Earned surplus forw'd.	441,248	380,496
Earned per share:		
Preferred	$40.67	$39.80
Paid	7.00	7.00
Common	2.50	2.44
Paid	1.25	1.25
Working capital	424,771	524,694

Balance Sheet Changes

	$	$
Cash	39,708	38,224
Investments	98,437	137,547
Accts. receivable	528,028	367,227
Inventories	674,046	600,994
Bank loans	236,049	65,881
Fixed assets	1,410,747	1,168,210
Less: Depreciation ...	221,730	97,246

Power Corp.

Power Corp. of Canada's financial statement for the year ended June 30, 1942, showed no major changes in the company's position. Total earnings of $1,571,731 were slightly less than the year before. Net profits available on the common stock amounted to 44 cents a share, as against 52 cents a share in the 1941 fiscal year.

At the end of last June, the company's investments had a book value of over $26.8 millions and a market value of $18 millions. At the close of the 1941 year book value of investments was better than $26.9 millions and the market value around $18.1 millions. During 1941-42 the funded debt was reduced by $393,000 to $9.6 millions.

Income and Surplus Account Years Ended June 30

	1942 $	1941 $
Total earnings	1,571,731	1,607,506
Less: Exec. remun. ..	27,726	25,930
Directors' fees	7,570	7,540
Legal fees	2,654	1,720
Depreciation	1,200	1,200
Interest	488,199	493,137
Inc. & E. P. taxes ..	44,400	48,772
Pension fund	10,000	......
Oper. expense	202,165	195,361
Net profit	787,817	833,846
Less: Pref. divds.	600,000	600,000
Common divds.	133,909	133,908
Surplus for year	53,908	99,938
Add: Prev. surplus ..	2,007,357	1,920,514
Profit on secs.	73,037	96,588
Less: Trans. spcl. res.	73,037	96,588
Adjustments	......	13,095
Earned surplus fwd. .	2,061,265	2,007,357
Earned per Share:		
Common	$0.42	$0.52
Paid	0.30	0.30

Balance Sheet Changes

	$	$
Cash	529,570	443,548
Investments	26,866,072	26,944,099
Funded debt	9,603,100	9,996,500

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	13	15	8	19	95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	180.9	329.3	180.5
Low	68.5	59.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	83.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.8	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
1942: Weekly Figures:												
Aug. 6 ..	75.4	57.5	61.3	46.1	97.2	76.3	97.4	74.3	67.1	75.4	67.7	61.5
Aug. 13 ..	76.1	58.0	61.6	46.7	96.0	75.3	98.5	74.1	67.7	72.4	68.2	61.5
Aug. 20 ..	77.0	58.4	61.6	47.5	98.2	75.0	101.3	72.7	66.8	71.3	68.1	61.6
Aug. 27 ..	75.5	54.3	61.6	46.6	98.6	74.6	97.6	72.5	66.9	70.4	67.9	61.7
Sept. 3 ..	75.8	54.7	59.7	46.4	98.3	75.2	96.9	71.8	66.1	69.8	67.3	61.5

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O
Sept. 8 ...	83.88	58.59	58.91	15.60
Sept. 7 ...	—Holiday—			
Sept. 5 ...	83.93	58.43	58.83	15.56
Sept. 4 ...	83.65	58.48	58.83	15.51
Sept. 3 ...	83.94	58.45	58.90	15.46
Sept. 2 ...	84.01	58.84	58.95	15.44
Month ago	84.54	60.69	59.40	15.63
Year ago ..	96.28	101.47	73.45	20.48
High 1942 ..	93.80	85.71	71.01	18.86
Low 1942 ..	79.85	58.43	58.80	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Sept. 8 ..	42.4	53.8	50.0	47.71	38.49
Sept. 7 ..	—Holiday—				
Sept. 5 ..	42.3	53.5	49.8	48.26	38.54
Sept. 4 ..	42.0	53.7	49.8	48.65	38.54
Sept. 3 ..	42.1	53.8	49.9	48.51	38.37
Sept. 2 ..	42.2	53.6	49.8	48.35	38.32
Month ago	42.9	53.9	50.3	51.00	38.67
Year ago .	45.9	64.8	58.4	53.69	71.84
High 1942	44.8	60.5	54.7	77.18	64.82
Low 1942	39.6	53.5	49.6	47.71	36.94

"Bomb" Insurance Queried

Businessmen Question Fairness of Some Rulings

The canvassing of industrial and business firms by insurance brokers selling the Dominion Government's new war risk coverage is confronting businessmen with a new problem.

Some terms of the new coverage are proving rather startling to businessmen.

Here are some of the questions:

Is the rate of 25 cents a year per $100 on industrial risks too high?

Compared with his fire insurance cost, the rate of 25 cents per year per $100 of insured value looks very high to the businessman, almost three times the fire rate for sprinklered risks.

While it is admitted that neither the government nor the insurance companies have any actuarial experience on which to calculate a rate for war risk, the businessman, at least in central Canada, thinks his fire hazards considerably greater than his bomb hazards.

The 25-cent rate in Canada corresponds with a 13 to 19½ cents war risk on industrial plants in the United States after making allowance for co-insurance clauses.

Officials state that the 25-cent rate was arrived at after careful study of the whole situation. They claim the rate in the United States varies with the degree of co-insurance; that in Canada there is no variation. The rates in the two countries compare as in the following table. Where two rates are given for the United States the rate is for fire-proofed buildings, the for the buildings of the second grade.

RATE PER $100 PROPERTY VALUE
90% Co-insurance in Each Case

	Canada	U.S.
Churches, schools, public buildings	15	6½- 9¾
Apartments and warehouses	25	9¾-13
Manufacturing plants .	25	13 -19½

It is claimed that the conditions in the two countries are so different that it is not fair to compare them. For instance the U.S. population is greater, hence the value of property at risk is much greater. In addition, Canada gives $3,000 free insurance on dwellings, with other free coverage on contents.

Why must a business firm insure every piece of property owned by itself or a subsidiary throughout Canada?

To this the answer of authorities is:

Bombing and war damage is a national danger; all Canadians should share in the costs of guarding against losses from such an eventuality; hence all insurers, whether living in the perilous coastal areas or in safer inland areas should pay the same rate and share nationally and equally in the burden. Officials point out that if property owners were not required to insure all their property, they would insure only the property in exposed areas which would load the risk heavily against the government.

In the House of Commons, speaking on the bill, Finance Minister Ilsley stated there would be no territorial discrimination. Inland points with low risks, he said, should get no advantage from that fact and the coastal points with their high degree of risk will not be penalized because of that fact.

Why is there a clause which limits the amount of war risk insurance which can be charged as a cost of doing business?

The clause reads:

"If the property insured is required for the purposes of the trade of the insured, the premium is deductible as a business expense in the calculation of Income Tax and Excess Profits Tax, but only to the extent that the taxes payable by the insured are reduced by not more than 40% of the premium. This means that, if the maximum tax payable by the insured is 40%, then the premium is completely deductible. On the other hand, if the insured is in the top bracket for Excess Profits Tax (i.e. is paying the 100% rate of tax) the premium is deductible to the extent that such reduction reduces the insured's tax by an amount equal to 40% of the premium."

Officials point out that if there were no restriction whatever some firms would, in effect, be paying nothing and the government would be carrying the whole risk free.

Another clause states that the time for payment of claims after loss will not be decided until after the loss has been incurred.

Some businessmen regarded this, on first glance, as an odd and rather unsatisfactory guarantee of settlement.

Officials state that this is in line with British practice and necessary if other wartime controls are to be honored. They point particularly to regulations about new building and the need for conserving materials.

In other words, this reservation places another control and priority on wartime consumption of precious manpower and materials in wartime. Basic purpose of "bomb" insurance, officials say, is not primarily to make up losses of business firms but to replace the working assets of the Dominion and that war risk insurance therefore is primarily a scheme for budgeting replacement costs in the area damaged.

The United States government at the beginning of its scheme set up a backlog of $1 billion compared with $5 millions in Canada. The U. S. scheme is voluntary and the property owner is not required to insure all his property.

In the United Kingdom the rate works out at about 10% of the rental value of a property per year. The insurance is compulsory. When the plan was brought out it provided for insurance for the first five years at 50% of the rental value of the property.

Market Opinions

Inflation is again coming to the fore in the investment outlook but it is suggested that its influence may be less than expected.

Journal of Commerce, N.Y.—By now the great majority of investors and traders surely recognize that the very high corporate income and excess profits taxes currently being imposed will end the usual relationship between the general price level and corporation earnings, while after the war declining rather than rising commodity prices are to be expected, once the initial reconstruction boom is over.

Hence, the more effective steps now being taken to stabilize the price level for the period of the war should not have a depressing effect upon share quotations over the coming weeks.

• • •

Financial World, N.Y.—Whether or not further retracement is in store the important thing to the investor is that the bulk of the bad news—Russian reverses, higher taxes, lower earnings, and dividend reductions—seems out of the way, and that the market is making no allowance for favorable developments that may be in store. There is little reason to look for an immediate resumption of the upward trend, but there are sound grounds for expecting average prices at the year-end to have shown significant improvement over prevailing levels.

• • •

Barron's, N.Y. (The Trader)—Disregard of dividend reductions and steady assimilation of large blocks of stock attest to the absorptive powers of the market. Extreme dullness following the mild reaction from the summer high of July 16 denotes the progressive ebbing of liquidation. Of themselves such factors can be construed as only negatively favorable, but, in the absence of emphatically constructive developments in the theatres of war and taxes, their significance need not be underestimated. When unmistakable good news appears eager buyers of tomorrow may become a stronger force than the patient holders of today.

Crown Zellerbach Net Off Moderately

From Our Own Correspondent

MONTREAL.—Crown Zellerbach Corp. and subsidiaries, including the Canadian property operated by Pacific Mills, show a net profit of $1,603,147 for the quarter ended July 31. This was equivalent after dividends on the $5 preferred to 50 cents a share on the common stock. For the same quarter of 1941 there was a net profit of $2,309,135, equal to 73 cents a share on the common.

The Shareholder

How stockholders can best protect their interests is a matter that has never been satisfactorily answered although there is little argument as to the need for such help. War has intensified the dangers of manipulation of accounts and actions on the part of company managements which may prove harmful to the small shareholders. The Government may be interested due to tax evasion although the latter can probably be depended upon to look after its own interests. In some cases the war emergency has been made the excuse for action on the part of company management to make further reductions in the already meager stock of information which shareholders receive and on which they must act.

This problem has been giving concern to Ganson Purcell, chairman of the Securities and Exchange Commission in the United States. He suggests that managements have been wasting shareholders' money through payment of excessive salaries, commissions or expense funds. He urges full use by shareholders of the only weapon they have—their votes at company meetings.

Canada has not the same problem as has the United States in the matter of excessive salaries owing to our measures of wages and salary control. But this does not excuse shareholders from continuing active in looking after their equity, using to the limit the restricted means available.

• • •

Sad history of private investment in single purpose real estate developments such as hotels and bridges completes another chapter this week with the announcement that interest has been defaulted on the $3 millions of bonds issued by the Thousand Islands Bridge Authority and held by the public. These bonds were sold in 1937 to finance construction of a bridge across the St. Lawrence near Gananoque, Ont. The bridge was administered by a semi-public body created by special authority of New York State Legislature but the bonds carried no state guarantee.

Undoubtedly playing a major part in the disaster that has overtaken this bond issue are the restrictions on travel by motor car which the war has brought. But even allowing for the unusual circumstances involved in this case the experience of individual investors in such investments has been far from satisfactory. It appears to strengthen the theory that, if such bridges are to be built, they should be built by public bodies in much the same way as our highways are constructed and administered.

Falconbridge's Refinery Intact

The nickel refinery of Falconbridge Nickel Mines, located at Kristiansand, Norway, is still intact, President J. Gordon Hardy informs The Financial Post. From what the company has been able to learn, the Germans are operating the plant off and on whenever they get any ore to treat.

There is hope of getting the refinery back intact after the war. With this chance, the company will not build a refinery in Canada during the war and will only build one here afterwards if the Norwegian plant should be most severely damaged.

George Weston Ltd. general sales manager E. R. Taylor reports that even the soda biscuit machines are now in full operation on iron rations for the troops. Thus Canadians may have to go without biscuits due to the huge quantities needed by the armed forces of the United Nations.

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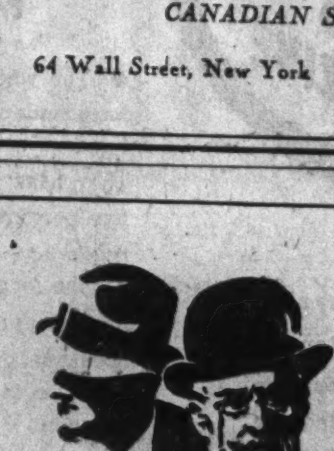

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That is why a hard-hitting advertising campaign in the Family Herald NOW is the surest means of getting a steady share of rural sales.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
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Pacalta Oils has extended for one month the Aug. 28 option installment on 100,000 shares under agreement with James A. Easto. All subsequent installations have been similarly extended.

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SHAW BUSINESS SCHOOLS

Newsprint Industry Clears the Decks

Sweeping Powers Given to Weldon to Deal With Prospective Changes

By JOHN E. LANGDON

MONTREAL.—Sweeping powers have been given by the government to R. L. Weldon, newsprint administrator of the Wartime Prices and Trade Board, to deal with the problems created by the diversion of power from certain newsprint mills to war industries, restriction of pulpwood production, and the diversion of workers to war industries and the armed forces.

The general terms of the policy announced by the government are threefold:

(1) To see that manpower, hydro power and materials are diverted to more essential use with a minimum disruption of the industry and those individuals and communities dependent upon it;

(2) Financial compensation for those companies affected;

(3) Filling customers' requirements through reallocation of tonnage from one mill to another.

Given Wider Powers

This centralization of control of the industry was forecast by The Financial Post last month.

The order as released by the W.P.T.B. clearly indicates that wide authority has been given the administrator. The fact is that Mr. Weldon has been given more authority than is granted to any other administrator of the W.P.T.B. His powers are, in some instances, greater than those of the controllers appointed by the Department of Munitions and Supply.

Mr. Weldon represents not only the Wartime Prices and Trade Board, but the Department of Munitions and Supply and Department of Labor as well. Broadly speaking—

"The administrator will act as co-ordinator for all problems affecting the industry, and will consult with and be consulted by all other federal authorities whose activities are likely to affect the industry."

Mr. Weldon has authority to close down a mill.

He can restrict output in any mill or group of mills.

He can divert newsprint tonnage from one mill to another.

His will be the final word as to the compensation to be paid to mills which have to give up tonnage because of restrictions on manufacture.

Policy in Making

At this stage no definite policy has been drawn up by Administrator Weldon.

What orders he issues depends on the demands made upon him by Power Controller H. J. Symington; by director of National Selective Service, Elliott Little; and other services.

It is known that plans are well advanced for the diversion of power from newsprint plants to war industries, especially to the aluminum industry.

Over the course of the next four or five months substantial additions will be made to aluminum manufacturing capacity. Huge quantities of power will be needed as the new pot rooms are completed.

Centre in Quebec-Ontario

The pulp and paper industry, and especially the newsprint section, is expected to give up whatever power is needed for aluminum.

The transfer of power from newsprint to aluminum applies with particular force in Quebec.

In Ontario the prospective demand from war industries indicates a shortage of energy which cannot be made up by further imports from Quebec. The shortage will have to be overcome through restricting the use of available energy in non-essential industries.

At present Quebec is delivering over 900,000 h.p. of energy to Ontario Hydro. This is about 100,000 h.p.. more than was called for under the pre-war contracts.

Transmission lines between the two provinces are now loaded to capacity. It will take time to develop new sources of power—such as the proposed plant on the Upper Ottawa River. Ontario Hydro will, of necessity, have to curtail deliveries to pulp and paper plants in order to take care of war needs.

Large Quantity Needed

No figure has been made public by the Power Controller as to the extent of the prospective power shortage in Ontario and Quebec. Estimates for Ontario alone indicate a shortage of around 250,000 h.p.

This power can be had from the newsprint industry. However not all mills will be affected for the reason some are located in areas where their power supply is not required for war plants. The areas in which newsprint mills will be affected are five: Saguenay, St. Lawrence, centring around Quebec City; St. Maurice Valley; Ottawa Valley and Southwestern Ontario.

Requires Careful Planning

Here is a list of those newsprint mills which may be called upon to give up power. It does not necessarily follow they will have to give up energy. The decision to divert rests upon many factors. As the government says:

"Regard will be had to the situation in each community in which a mill is located, including the possibilities of alternative forms of employment for workers in any mill at which, by reason of power shortages, operations have to be curtailed."

LIST OF NEWSPRINT MILLS WHICH MAY BE AFFECTED BY POWER SHORTAGE

Area & Operator:	Annual capacity tons
Saguenay	
Price Bros.:	
Kenogami	200,000
Riverbend	175,000
Consolidated:	
Port Alfred	155,000
St. Lawrence	
Donohue Bros.:	
Murray Bay	48,000
Anglo-Canadian:	
Quebec City	195,000
Donnacona:	
Donnacona	85,000
St. Maurice Valley	
Consolidated:	
Shawinigan Falls	212,000
Grand'Mere	115,000
Three Rivers	57,500
Can. Inter. Paper:	
Three Rivers	245,000
St. Lawrence Paper:	
Three Rivers	190,000
Ottawa River	
Can. Int. Paper.:	
Gatineau	240,000
Southwestern Ontario	
Ontario Paper:	
Thorold	162,000
Beaver Wood Fibre:	
Thorold	25,000
Total	2,104,000

Many Are Unaffected

This is, of course, only a partial list of Canadian newsprint mills. There are a number of mills in other parts of Quebec and Ontario, Manitoba, British Columbia, New Brunswick and Nova Scotia, which are not likely to have their operations restricted because of power shortages, or because of their peculiar community obligations.

LIST OF NEWSPRINT MILLS WHICH ARE NOT LIKELY TO BE AFFECTED BY POWER SHORTAGE

Operator:	Annual capacity tons
Bathurst	18,500
Mersey Paper Co.	107,000
Can. Inter. Paper:	
Dalhousie	202,000
Lake St. John Power:	
Dolbeau	102,000
Abitibi Power & Paper:	
(All mills)	615,000
Brompton	64,000
James Maclaren	100,000
St. Raymond Paper	7,800
J. R. Booth	15,000
E. B. Eddy Co.	47,000
Great Lakes	116,000
M. & O. Paper	185,000
Pacific Mills	75,000
Powell River	225,000
Spruce Falls	200,000
Ontario Paper:	
Baie Comeau	130,000
Consolidated Paper:	
Wayagamack	85,000
Total	2,296,300

This list is by no means official. It is simply a summary of plants which for several reasons may or may not be affected by the prospective changes.

Have Enough Paper

The mills in the second list (and probably several in the first list) will be called upon to take up the slack so that production can be maintained in order to meet requirements of publisher customers in Canada, the United States and elsewhere.

It is believed that unless restrictions are more drastic than anticipated, sufficient newsprint paper will be produced to take care of the present scale of consumption.

Set Up Financial Pool

One of the major features of the planning for the newsprint industry is the setting up of a special pooling fund into which mills operating above a basic level will make payments, and out of which mills closed down or curtailed in their operations will receive payments in lieu of orders for newsprint.

No government funds will be provided. The arrangement calls for financial adjustments within the industry.

This means that where "B" company's tonnage is transferred to "A" company, the latter will turn into the central pool, the "increment of profit," resulting from the larger scale of operations. Thus "A" company will pay the pool such benefits as will accrue from lower overhead and other economies resulting from the larger scale of operations.

The amount paid in naturally will depend upon the efficiency of the mill or mills taking over the allocated tonnage. Consequently it is assumed that all profits resulting from the reallocation of tonnage will be pooled and averaged on a per ton basis, with payments made on the number of tons turned over to the pool.

The funds turned back by the pool to companies forced to turn in tonnage are expected to be sufficient to enable these operators to maintain their financial position.

Cut May be Moderate

Just how far the administrator will have to go in curtailing operations in order to meet war requirements, depends to a marked degree on newsprint marketing operations.

In recent months there has been a falling off in both production and shipments of paper. Last month the mills operated at less than 66% of capacity.

Present indications point to a further falling off. In that event the industry would automatically release power and men to be used in the war industries.

Then, too, there is the possibility that transportation difficulties may help to curtail operations. Supplies also are getting more difficult to procure. This applies with particular force to pulpwood; in some areas pulpwood production has been restricted by the timber controller in order to release labor and equipment for lumber operations.

Others Are Concerned

One point on which uncertainty still exists is whether or not the fine paper and specialty paper companies will be affected by the demands of the power controller. These companies do not come under the direction of Mr. Weldon.

—Blank & Stoller photo.

PULP-PAPER HEAD

E. Howard Smith, vice-president of Howard Smith Paper Mills, who has been elected president of the Canadian Pulp and Paper Association, succeeding R. L. Weldon, who has resigned to take over the post of Newsprint Administrator.

United Securities Plan Gets Backing

Sufficient Bonds Deposited to Ensure Adoption of Scheme

From Our Own Correspondent

MONTREAL.—United Securities Ltd. plan of capital reorganization will be adopted this week. Prior to the meeting sufficient proxies had been deposited with the committee to ensure the scheme being adopted.

Under the plan the old 5½%, three-day pay bonds will be reduced from $4,025,500 to $3,351,500 through cancellation of $674,000 par value of bonds held by the company.

Bonds in the hands of the public will be exchanged par for par for new bonds, carrying a 3% coupon, and payable as to principal and interest in Canadian funds only. Holders of bonds living outside Canada will have the option of taking bonds payable in Canadian, U. S. or sterling.

Both principal and interest on the new bonds will be guaranteed jointly by Shawinigan Water and Power Co. and Montreal Light, Heat and Power Cons. Life of the bonds is extended to 1952.

It is estimated the guarantors will be required to supplement the company's revenues by $16,000 yearly to permit payment of interest at the reduced rate.

On the Record

A sugarless cook book, compiled by Fort William Women's Air Force Auxiliary, will soon be issued according to Mrs. John Allen, chairman of the women's regional advisory committee, Winnipeg.

A. Wallace Johnson, Winnipeg barrister, appointed Winnipeg regional officer for W.P.T.B.

Eric R. Gold named supervisor of rentals for the three prairie provinces.

G. F. Allan appointed representative of W.P.T.B. office at Trail and **Archer Davis** in charge of the office at Cranbrook.

J. V. Desaulniers, second vice-president and managing director, La Société Nationale de Fiducie, named deputy rentals administrator for Quebec and the Maritime Provinces.

$1 million a week is being collected in Canada by the Unemployment Insurance Commission, according to J. W. Willard.

The W.P.T.B. Ottawa branch office ceases to be a suboffice of the eastern Ontario region and will report direct to the supervisor of the Ottawa regional offices, effective Sept. 1.

Peter J. Macdonald, McHugh and Macdonald law firm, appointed enforcement counsel for the Ottawa branch office, W.P.T.B.

Humberstone Shoe Co. has declared a dividend of 50 cents a share payable Oct. 7, 1942, to shareholders of record Sept. 15. This will be the first payment since the quarterly dividend due Feb. 1, 1942, was deferred.

National Breweries — John C. Cushing has been elected a vice-president of the company. He will continue to carry on as comptroller.

Bond Tenders

5 p.m., Sept. 21, Village of Val Barrette, County of Labelle, P.Q.—$10,000, 4%, dated Oct. 1, 1942, maturing serially from Oct. 1, 1943 to 1952. E. Forget, sec.-treas.

5 p.m., Sept. 14, Drummondville, P.Q.—$62,500, 3½%, dated Sept. 1, 1942, redeemable serially from Sept. 1, 1943, J. Marier, clerk.

12 noon, Sept. 10, Canada Treasury Bills—$45,000,000, dated Sept. 11, 1942, payable Dec. 11, 1942.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Wood, A. & J. ..	6%	1944	Oct. 1	103

$20,500.

The Bondholder

"Don't Be A Welsher" controversy has raised the considerable question over what selling technique is to be used in marketing the forthcoming Victory Loan. The phrase quoted headed a recent advertisement of the National War Finance Committee, gist of which was:

"Let's be brutally frank. The man or woman who buys a Victory Bond or Certificate to save face, then sells it—except in case of dire necessity—is a welsher."

This expression has led to such a bitter feeling in some quarters that salesmen are wondering what they will be able to tell potential Victory Loan buyers when they go into the field a few weeks hence.

All the war bonds sold to date have been sold on a basis of immediate marketability. The welsher advertisement has aroused fears in some sections that the marketability of the next loan might be handled in such a way as to try and force retention of all the bonds originally bought. It is about this particular point that salesmen are wondering. Their previous selling technique has been based on the foundation of marketability; if that cannot be included in their sales talk this time, then there will have to be a very marked shift of selling emphasis.

• • •

There is no secret about the fact that numbers of companies subscribe for a greater amount of bonds than they expect to hold indefinitely. Working capital requirements are too great to allow the purchase and indefinite retention of several millions of bonds. When some of these bonds are sold after the campaign, a loss has to be taken as the bonds are usually at a small discount. That loss is accepted as the price of what these firms usually regard as a patriotic service. Their action in gradually liquidating some of their holdings helps to lengthen the actual marketing life of the loan, makes it more easily digestible. These companies now declare that they don't like being called welshers, and that they certainly can't afford to tie up a lot of capital in bonds if there is going to be any doubt about their marketability.

• • •

Salesmen who have gone into factories to sell the workers now fear that selling resistance to the next loan will be greatly increased. Some of those in touch with plant managers report that feeling in some cases is quite bitter. Workers have had to sell their bonds due to personal necessity and resent being termed welshers. While it may be pointed out that the National War Finance Committee blast did condone the sale of bonds under dire necessity, this qualification has apparently been largely ignored by the people for whom it was meant.

The whole affair appears to boil down to a matter of emphasis. No doubt can exist that there has been some "welshing." The Financial Post hears of some districts where fairly large numbers of $50 and $100 bonds have been coming in—it is for such people that the advertisement appeared. The unfortunate part is that the emphasis was such that it tended to rouse resentment among many readers, and has brought up some questions and created some uncertainties that some in the trade feel should be resolved well before marketing of the next loan starts.

• • •

Third Victory Loan organization is now well under way with field organizers expecting to leave for their districts within the next week or so. Present indications are that the loan drive will last for about three weeks, and get under way in mid-October.

U. S. Paper Mills Add to Stocks of Woodpulp

From Our Own Correspondent

MONTREAL.—Increased stock of purchased wood pulp held by U. S. paper mills both at mills and at docks continue. Stocks at mills reporting to the American Paper & Pulp Association on Aug. 1 amounted to 249,000 tons. This contrasts with 227 tons on July 1 and 213 tons on June 1. Mill stocks of purchased wood pulp at all mills reporting have been increased by almost 50,000 tons since Feb. 1, 1942. Reduced consumption plus the increasing availability of supplies accounts in a large measure for the improvement in the situation.

War is waged with steel
. . . and Victory Bonds

T.I.W.
STEEL PLATE WORK

STORAGE TANKS
PRESSURE TANKS
BINS and HOPPERS
WELDED and RIVETTED PIPE

DESIGNED • FABRICATED • ERECTED

BUY VICTORY BONDS

SPECIAL STEEL PLATE EQUIPMENT FOR WAR PLANTS

THE TORONTO IRON WORKS LIMITED
TORONTO MONTREAL

Newsprint Policy Making Passes to New Co-ordinator

From Our Own Correspondent

MONTREAL.—Appointment of R. L. Weldon, as newsprint administrator under the Wartime Prices and Trade Board, brings in its wake a number of important changes affecting the pulp and paper industry.

Mr. Weldon, president of the Canadian Pulp and Paper Association since his election last spring, has resigned and his place is being taken by E. Howard Smith, vice-president of Howard Smith Paper Mills Ltd.

Heretofore affairs of the newsprint section have been administered largely by the Newsprint Association of Canada, a voluntary organization which has the support of the Ontario and Quebec Governments. The function of this organization as a policy-maker for the industry has now been taken over by the administrator.

In effect the Newsprint Association will continue to exist, but it will for all practical purposes be more or less dormant for the duration. The whole staff of the association has been made available to the administrator. In addition, that part of the staff of Stevenson & Kellogg, specialists in industrial management, employed by the Association also will be available to the W.P.T.B. administrators.

There are a number of these mills in the areas in which the greatest power shortage is expected. For example, there are the Howard Smith Paper Mills' units in Quebec and Ontario as well as those of Provincial Paper Co. in Ontario.

Individually the fine paper mills are, with one or two exceptions, relatively small power users. They may not be affected though there is no definite ruling on this point.

Weekly Record of Financing in Canada

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
British American Oil Co.	Aug.	A. E. Ames & Co. (privately)	3¼%	1950-53	$3,000,000	.....	.....
Great West Saddlery Co.	Sept.	Sold privately	3%	1943-48	264,000	.....	.....

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The Editorial Page . .

Fuel Oil Bungling

Two months from now most of the homes depending upon oil for heating will have exhausted their original stocks of winter fuel. The majority of them have storage capacity of only a few hundred gallons each. Whether they will be able to fill their tanks again is uncertain. Whether they will be able to continue to refill them throughout the winter is highly doubtful. The current issue of Sanitary Engineer issues this warning:

> Those near to the true fuel oil picture in this country predicted a few weeks ago that it might prove to be a costly wait for home owners who adopted a waiting policy. Now comes news from the United States that the seriousness of the situation over there, particularly in the eastern States, is so grave that the President and the U. S. Petroleum Co-ordinator for War have issued stern warnings designed to alarm household users of fuel oil into taking quick conversion action.
>
> Since Canada's oil situation is to a very considerable extent dependent upon the oil situation in the eastern States and throughout the United States generally, the gravity of developments south of the line constitutes a direct warning to Canadians. It is utterly fantastic to expect that homes in Canada may be heated as usual with oil if home owners in the United States go chilly this winter.

So far as the private home owner is concerned, the fuel oil situation has been bungled. Periodically warnings to convert heating apparatus from oil to coal have been issued from Ottawa, only to be contradicted by later reports implying that all was well. Even as late as last week, radio listeners were reassured on this score.

As a result of all this confusion, only a small percentage of the 63,000 residential oil burners in Canada have been converted to other fuel and each week as winter draws nearer, the opportunity for such conversion grows less. There is a shortage of necessary skilled labor, of the necessary materials, and there well may be a shortage of immediate coal supplies to service these extra heating units if they could be converted now. A million extra tons would be required if all were switched to coal.

Cheerfully and willingly Canadian citizens have made every sacrifice demanded of them in the interests of the war effort. There has been a minimum of complaint, even when the sacrifices involved severe loss and a rigorous restriction of the average standard of living. But Canadian citizens expect and they are entitled to reasonable guidance. In this oil burner business they have not had that guidance. The average home owner is not and cannot be in a position to know whether or not he should make an expenditure of from $50 to $150 and involving war-needed materials and labor to change over his present heating apparatus from oil to coal. Only the authorities can enlighten him but so far about all they have contributed has been confusion.

Postwar British Scholarships

A British scheme, designed particularly to reward families in British dominions and the United States which have cared for evacuated British children during wartime, has been announced in London.

The Kinsmen Trust, headed by a distinguished Board of Trustees, is now soliciting funds in Great Britain to provide "scholarships, grants and the fullest hospitality compatible with the terms of the trust for children from the United States of America and from the British Commonwealth overseas with special consideration for the families and friends of those who are caring for our children now."

The scholarships, etc., are to be available for "every description of education whether at Universities, Colleges and Schools, or at hospitals, factories and workshops, or for the study of law or any other brand of education. . . . In its international aspect the scheme may be likened, on a modest scale, to the Rhodes scholarships."

The Kinsmen Trust founders point out to British parents that because of exchange regulations they are now enjoying relief from the normal cost of maintaining and educating their children, hence "will welcome the opportunity of contributing."

Increasing amity and understanding between the English speaking peoples will never be of greater importance than in the postwar world. The desire to repay, in other than monetary ways, those who have undertaken wartime support of British children, is gracious indeed.

The plan is notable in two respects. It will open opportunities to many people in humble circumstances for they have been very open-hearted in caring for British children.

Secondly, the plan provides not only for university training but also for training "in hospitals, factories and workshops."

It is to be hoped the actual working and results of the plan will be as good as its promise.

We have have fairly extensive experience with British scholarships which take over education of promising Canadians at a very impressionable stage. Sometimes the result has been to make better Canadians; sometimes not.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with postwar employment and relief problems.*

Packers Not to Blame

Broadening of the scope of operations for Wartime Food Corp., announced late last week, is an admission of the failure of previous piecemeal attempts to meet the beef shortage situation. The announcement was unfortunately accompanied by a statement which implied that the Canadian packing industry had not been doing its job. Canadian packers have been required to give priority for military requirements, and the announcement stated "yet notwithstanding this action military requirements have not been met."

Any inference that the present beef situation is the fault of the packers is an unfair slur against an industry that has been hard put to operate under price celings. In many cases packers have had to absorb substantial losses. The present serious beef shortage comes from a condition that was aggravated by a one-step-at-a-time government policy.

It took a flood of cattle moving across the line to the U. S. to waken the government to the need of doing something to conserve supplies here. By that time the first effects of beef shortage were being felt. When export controls were instituted through Wartime Food Corp., Ottawa came out with an announcement of progressive price decreases during the summer months. For the cattle raisers that put the handwriting plainly on the wall; they naturally sold as fast as they could to get the best prices they could. The present scarcity of beef cattle on many farms today is simply due to the fact that they were sold in the first five months of the year.

Let's Have Victory Engineering

Scrutator, the military expert of the Sunday Times, London, says Britain won the battles of Crecy and Agincourt because the longbow was superior to anything the enemy had; that Britain defeated the Spanish Armada because British cannon shot further than those of the Spaniards; that Nelson owed very much to the development of carronades; Wellington much to the peculiar training and methods of the "thin red line."

The inferiority of our tanks and some of our guns has already cost many lives; lost vital battles, prolonged the war. Some improvements have been made and are being made. Now the highest informed claim being made for our equipment, in general, is that it is equal to that of the enemy in design.

Designing, testing and putting into mass production any weapon of warfare is a long, long process. The incredible and the terrifying fact is that our weapon design brass hats are constantly praised because our weapons are as good as those of the enemy or are on the point of being made just as good.

So far, our military engineering seems to have been "follow-the-enemy," which is far from good enough. The important thing is: What kind of weapons will the enemy be using against us next year, two years from now? And what kind of weapons are we now developing?

Entrusting this vital responsibility to some of the outstanding geniuses of North American invention and production, to men who have helped transform our lives, would be reassuring.

War Boosts Value of P. G. E.

The war has worked some strange changes in transportation values. Railroads and highways of doubtful economic worth a few years ago now have become of high strategic importance.

British Columbia's Pacific Great Eastern Railway is a striking example. It doesn't quite reach Vancouver in the south and it falls short of connecting with the C.N.'s Prince Rupert line in the north. Because of this isolation for connecting traffic, and the sparsely settled country it traverses, the P.G.E. has been a most expensive white elephant to the provincial government which eventually fell heir to it.

Now there is some hope of a new owner and a real lease of life for this orphan line. Because it runs toward strategic Alaska, Uncle Sam is interested. Thirty-five miles would connect it with Vancouver and main railroads east and south. Another 150 miles would hook it up with the Prince Rupert line and tie it with the new Alaska highway. Eventually, indeed, the P.G.E. might be pushed north through the great interior valley of British Columbia right into Alaska.

The name of the line doesn't indicate that the original builders entertained any such high hopes for their project. It was another eastern, not a northern route which they contemplated.

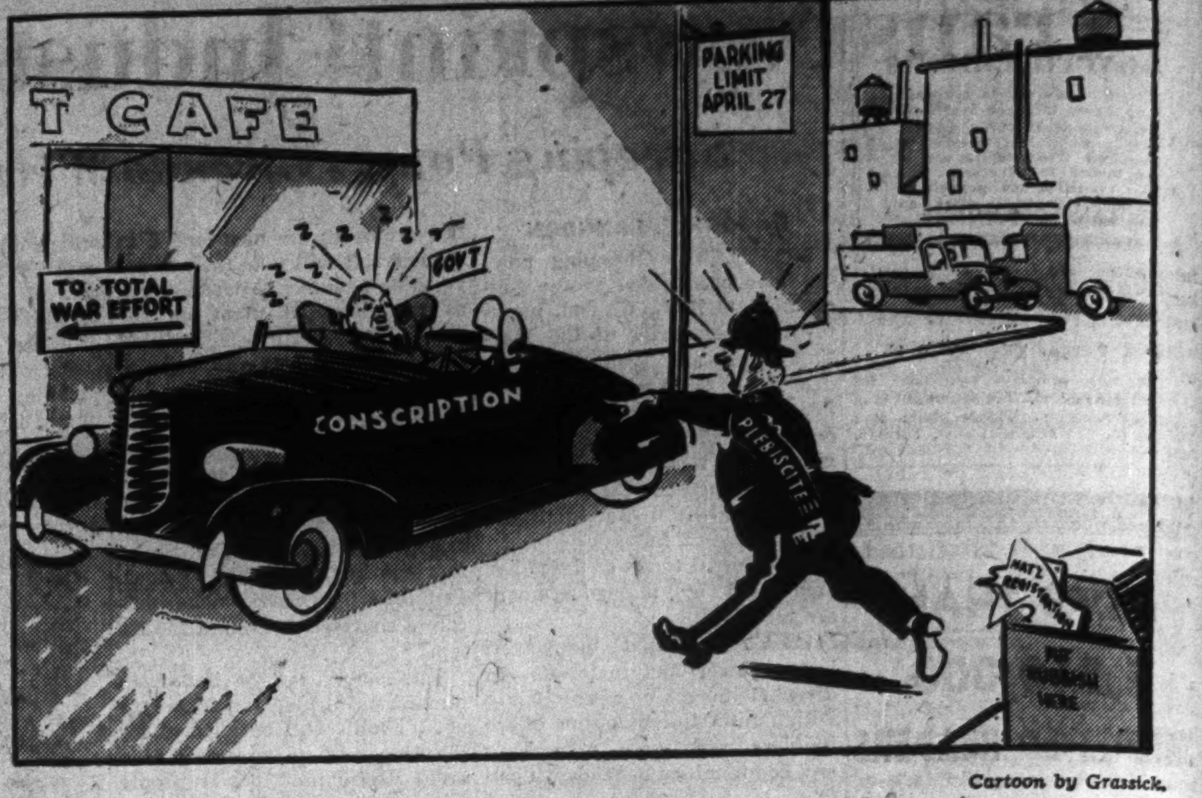
If a wealthy and genuine buyer now turns up for the P.G.E. it will be plain luck for the taxpayers of British Columbia, not the reward of any shrewd, long view, foresight. It is to be hoped that its sale will not encourage reckless expansion of similar doubtful projects after the war on the assumption that if they do not pay, a rich uncle may take them off our hands.

Can't Sugarcoat Inflation

In the dog days between battles some of the Washington public relations experts are reported as whiling away the time by venturing to revamp certain standard government phrases and definitions. The idea seems to be to make these more palatable or obscure. One suggestion was the changing of the traditional "government expenditure" to "government investment" and there has been some tinkering with the word "inflation."

Publicity men—good ones—are experts in the meaning of words. In normal times they experiment with various phrases and synonyms. The aim is to soften or direct public prejudice. With tact and delicacy they introduce subjects our grandfather prohibited, largely because our grandfather's vocabulary was much too limited to handle them without offense.

It is extremely doubtful, however, whether these are the right people, either to amplify terse war dispatches or to restyle government reports. It would be confusing for the public to gain the impression that most government spending is in the nature of an ordinary investment, and certainly inflation is much too dangerous a product to be sugar coated by any renaming. To the average person inflation is a threat to his present standards of living and no matter how we may sugar coat the actual word it will continue to mean exactly that.



Cartoon by Grassick.

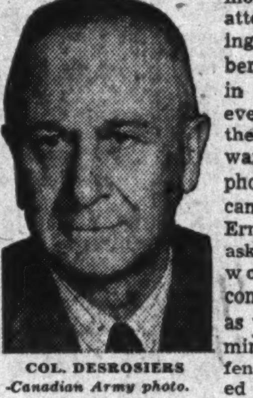
"I THOUGHT I TOLD YOU TO MOVE ON LONG AGO."

Post-Scripts . . . .

Desrosiers-Currie Defense Team

Four years ago the total expenditure of all Federal Governmental departments was about $500 millions. This year, the appropriation for Canada's army alone is just over $1,000 millions.

That, in essence, is the reason why Ottawa announced last week the appointment of two deputy ministers in the Department of National Defense. One of these is Col. Henri Desrosiers, D.S.O. The other is Lt.-Col. George S. Currie, D.S.O., M.C.

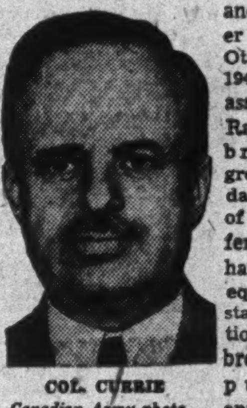


COL. DESROSIERS
-Canadian Army photo.

Col. Desrosiers came to Ottawa in September, 1939, "for two or three months." He was attending a meeting of the Chamber of Commerce in Montreal one evening just after the outbreak of war, when a telephone message came from Hon. Ernest Lapointe asking him if he would consider coming to Ottawa as acting deputy minister of defense. He consulted his employers, Imperial Tobacco Co. and obtained release on a dollar-a-year basis. Knowing that he might not have many free week ends for some time, he planned a day or two of fishing pending final decision at Ottawa. Just as he and his wife were leaving, the call came asking him to report to Ottawa immediately. After three long and strenuous years, his fishing trip seems as far away as ever.

The Desrosiers family roots go very deep into the heart and life of French Canada. Three Desrosiers brothers came to Canada originally in the earliest days of the French settlement. Col. Henri Desrosiers was born at Vaudreuil, near Montreal. His father was a doctor. After attending the University of Ottawa someone told him the secret to business success was to learn shorthand. He went to work in the office of the Jolliette Tobacco Co. (a subsidiary of Imperial Tobacco) and studied shorthand by flickering gaslight in the evenings.

When the last war broke out he went overseas as a lieutenant with the 14th Battalion, Royal Montreal Regiment. He won his captaincy in the second battle of Ypres and saw action also at Festubert and Givenchy. After organizing the 163rd battalion in Canada, and special duty in Bermuda, he returned to England in command of the 10th Reserve Battalion, then went to France in command of the 22nd. He was mentioned in despatches and awarded the D. S. O. After the war, he rejoined his old company, became general manager of an associated manufacturing concern, B. Houde Co. in 1920, and its president in 1925. He was elected a director of Imperial Tobacco Co. in 1928 and vice-president in charge of the Quebec Division in 1934. He has been Associate Acting Deputy Minister of National Defense until his promotion to full Deputy last week.



COL. CURRIE
-Canadian Army photo.

The man who will share the National Defense deputyship with Col. Desrosiers is Lt.-Col. George S. Currie, D.S.O., M.C., another Montrealer who came to Ottawa in June, 1940, as executive assistant to Col. Ralston. It is breaking new ground for Canada's Department of National Defense (Army) to have two men of equal ranks and status in this position. When war broke out two deputies were appointed — one French and one English but at that time there were all three services (army, navy and air force) grouped under the one department. Legally, the deputies are probably both responsible for all of each other's acts. Legally, it's a difficult enough thing when there is only one deputy, to determine just where the King's Orders and Regulations draw the line as between these civilian authorities and the military hierarchy. But there is confidence that the Desrosiers-Currie team will work amicably and efficiently in assisting the minister in the "general control of administration" of Canada's rapidly expanding army.

In the two years he has been at Ottawa, Col. Currie has had many special problems thrown at his doorstep by the Minister. One of these has been responsibility for manpower studies, not in respect of the mechanics of calling up men for service, but in the larger sphere of national policy. He has represented his department on the Interdepartmental Committee on Labor Co-ordination since it was formed in October, 1940. He is now liaison officer with National Selective Service.

Apart from his long time business association with George McDonald in the accounting firm of McDonald, Currie & Co., and which dates back to 1914, one of Col. Currie's chief hobbies and interests is McGill University of which he is a member of the Board of Governors. Col. Currie comes by that association honestly, for not only did both his parents graduate from McGill, but his mother has the distinction of being the first woman to graduate from that institution. Col. Currie and his sister hold the distinction of being the first graduates of McGill both of whose parents were also graduates.

Col. Currie's mother graduated in 1888. Fifty years later, when the McGill Alumnae met to celebrate the golden jubilee of that event, they invited George Currie as an honored "exhibit." He was the only man among 400 or 500 women, but he seems to have survived the experience and be able to look back on it with much relish. George Currie was born in 1889, one year after his mother's graduation.

George Currie brings both a brilliant accounting mind to his new job and an enviable military record. In 1914 he was made a Lieutenant in the Princess Pats Canadian Light Infantry, later serving as adjutant of the regiment. He rose to be Deputy Assistant Quartermaster-General of the 4th Canadian Division, was awarded the D.S.O. and the M.C. and twice mentioned in despatches. After the war he continued with the Non-permanent Active Militia and for a time commanded the 8th Machine Gun Brigade with headquarters at Verdun.

He is vice-president and director of Bowaters Power and Paper Co. of Newfoundland, Ltd.

• • •

Newsprint Czar

A tough task is that which confronts Richard L. Weldon, who has just been appointed newsprint administrator. The supply of electric power for pulp and newsprint mills is being cut, so as to make more electricity available for war industry. This means pulp and paper production must be limited, and it falls to Weldon to say what mills may produce and how much.

MR. WELDON

It's inevitable that some toes will be stepped on in the process, but "Larry" Weldon is counted on to carry out the job with a maximum of fairness and a minimum of unpleasantness. He'll get results, his friends say, but he'll get them in the most painless way possible.

Winnipeg-born, Weldon travelled east to complete his schooling, emerged from McGill with two degrees—B.Sc. and M.Sc.—and went right into the pulp and paper business with the old Laurentide Co.

It was at Corner Brook, Newfoundland, that he established his reputation as designing engineer of the Newfoundland Pulp & Paper Co. He was manager of this big mill when International Paper appointed him chief engineer and took him to New York.

His next move was to Bathurst, N.B. Bathurst Power & Paper Co., reorganized by Nesbitt, Thomson & Co., appointed him president in 1936. He lost no time putting the Bathurst mill on a sound basis, increasing its capacity, making it one of the most important producers of kraft and boxboard. This enhanced his reputation, and brought him recognition as one of the ablest engineers the pulp and paper industry has ever had.

Just last February, he was elected president of the Canadian Pulp and Paper Association.

In this office, he has done a great deal to organize the pulp and paper industry's Machine Shop Board, turning the facilities of the mills to war work with outstanding success.

Now he has a new assignment, a full-time war assignment. Admittedly it's a tough one, but his friends declare "Larry" is the right man for the job.

A keen-eyed athletic man, with one of the most amiable smiles in the country, Weldon is a good golfer and a better-than-average fisherman. There are salmon and trout streams on his company's timber limits—and he knows where the likeliest pools are.

Tactful, considerate of his employees' interests, his labor relations have had no rough spots. The people of Bathurst, where the pulp mill is by far the biggest employer, grow enthusiastic when they talk about "Larry" Weldon.

Other People's Views . . . .

The Canadian Editorial of the Week

Canadians Want Plain Speaking

(Ottawa Citizen)

In setting up a new body to be known as the Wartime Information Board with Charles Vining as its head, Prime Minister King appears to have accepted the Vining report on Canadian public relations and then to have handed it back to its author to carry out. That seems to be a sensible decision.

One feels sure with his keen sense of publicity values and in view of recent experience, Mr. Vining will abandon the old formulas. If the W. I. B. of which he is to be chairman merely increases the pressure for getting items into the press of the United States and Canada regarding the war effort, it will be missing an opportunity.

If Mr. Vining has learned anything in recent days—and undoubtedly, being a keen observer, he has—he will build up his W. I. B. with an eye turned towards, the O. W. I. in Washington—the U. S. Office of War Information, whose head is Elmer Davis. If he does, Mr. Vining will not pursue the old publicity tactics, but, like the O. W. I. will work on the basic assumption that Canada is a member of the United Nations and that more important than "publicity" is all getting together and winning the war.

As for news for home consumption, Mr. Vining should take another leaf from the book of the O. W. I. When Elmer Davis first took office only a couple of months ago he laid down "Regulation No. 1" for the O. W. I. It was that the U. S. government "shall issue as promptly as possible all news and background information essential for a clear understanding of the nation's war effort." Only information valuable to the enemy was barred.

The result has been that a considerable degree of candor has been injected into war information originating in Washington. It has meant that bad as well as good news is given out. It has meant that mistakes as well as achievements have been chronicled. And with good results. In Canada, never has it been admitted that the slightest mistake has ever been made.

What the Canadian public wants is similar plain-speaking.

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The Mail-box

Ridiculous Debt Settlement

Editor, The Financial Post:

The writer was much interested in reading an article in your paper headed —"Saskatchewan Wheat Pool Pushes Debt Dodging"—and, later, the Wheat Pool's reaction to the statements set out in your article—in some of the local Press.

I would just like to give you an idea of one of the many ridiculous adjustments made by the F. C. A. A., and can assure you the case is bona fide. Following is the judgment handed down by the Board, in the case of (we shall say—John Doe); the amount of the claim is $80.00.

"As to the claim of ——— Company Limited against the Debtor, the Board proposes that the amount of this claim be fixed at $80.00, and that such fixed amount be paid in two equal, consecutive annual instalments—payable on the first day of December in each year—commencing December 1, 1942, without interest."

Is it any wonder then that the farmers of Saskatchewan evade payment of their debts where possible?

S. A. W.

Regina, Sask.

• • •

Six Nuts and Bolts

Editor, The Financial Post:

Institutions throughout Canada are required before making purchases in many commodities to apply to the Department of Munitions and Supply for a priority rating regardless of the amount.

Last week we applied to a manufacturer in Toronto for six nuts, bolts and washers for use on a pump in connection with a boiler that supplies heat to tenants in a nine-story building and were informed that the order could not be filled without a priority rating. The cost of these would be between $1 and $1.50.

Surely there is somone connected with the government or the Department of Munitions and Supply who could take steps to eliminate the need for priority orders on purchases of this type under a minimum whether it be $5 or $10.

And, if there were any means of estimating the cost of the preparation by the applicants of these priority rating forms (5 copies to a set) and of their consideration after reaching the Department at Ottawa, it is a foregone conclusion that it would amount to, on the average, as much as every purchase under $5.

G. L. S.

London, Ont.

• • •

As Others See Us . . .

Excellent But Impractical

-Huntsville Forester

A Quebec member of the Commons thinks Canada should keep her troops at home. We agree with The Financial Post of Toronto, that this would be an excellent policy, if adopted on a world-wide basis. Let Hitler and Hirohito first set the example.

• • •

War Profits

(Vancouver Sun)

About this time in the last war Canada was creating its first really big batch of millionaires. Those days witnessed the full flowering of the war profiteer.

Few great fortunes will be built out of this war in Canada for, despite the occasional grumbling of the small taxpayer, Canada has drastically limited war profits—indeed, largely taken the profit out of war.

The Financial Post recently made a survey of 146 of Canada's greatest corporations, including most of those with large war contracts. It found, of course, that these corporations were taking in more money than ever because they were doing more business, producing more goods. Under our peacetime tax structure they would have enjoyed an enormous increase in profits. Instead, after paying the new war taxes they found their profits had increased only 3 per cent over those of 1939. The reason was that their taxes had increased 269 per cent.

Taxes are continually being revised upward. But even now we can say that in the financial management of this war we have made great strides over the management of the last. No sensible businessman can any longer regard war as good business.

• • •

The C.C.F. and Quebec

Manitoba Commonmealth

Other publications such as The Financial Post and Saturday Night also are featuring the C.C.F. The Financial Post, in a recent issue, devoted almost its whole front page to the situation in Quebec, warning its readers of the progress being made by new and radical parties. This is true of the C.C.F. Quebec is coming to life. The people of that province are turning to the C.C.F. But the charge that the C.C.F. is rewriting its platform to suit the conservatism of Quebec is utterly false. Even a casual reading of the policies of the C.C.F. as stated at the national convention of just three weeks ago would demonstrate this clearly. No compromise with anybody is under consideration.

• • •

Case for National Cabinet

Powell River News, B.C.

Close observers of Canada's war effort will not begrudge the Mackenzie King government due credit for the great strides this country has made in changing over from peacetime to wartime operations. As numerous commentators have pointed out, Canada has made a tremendous contribution to the Allied war effort—in men, money and machines. And all this with a party government in the saddle.

If a purely party administration can do so much, is it not only common sense that a national cabinet, representative of all loyal groups and consisting of Canada's ablest brains, would do that much more?

Long an advocate of such a move in the best interests of Canada's war effort, The Financial Post contends that Mr. King should call to his side the best brains in Canada to create just such a cabinet that will go all out on the war. The Post presents a good case for a National cabinet.

• • •

What the Papers Are Saying

The Mind of the C.C.F.

The Winnipeg Free Press

If Mr. Coldwell had been in office and in power in 1932 and in 1933, and had turned over to the workers the entire income of the nation, it would not have given them as much as they received in 1929. Not only labor but all other classes had real and substantial incomes. Labor and industry should get together with the other reapers of the vineyard. There is abundant room for constructive effort. The nation must find a way, not by conflict, but by reason.

• • •

Stop Me If . . .

As two men stood chatting on the street, a third, known to both of them, passed by.

"What's wrong with Jack this morning?" asked one. "He seems worn out and worried to death."

"He's been contesting his wife's will," the other told him.

"His wife's will? I didn't know she was dead."

"She isn't!" was the brief reply.

Sayings of the Week

"Let us not forget that Britain fought alone against Germany and Italy for a full year."—*Dorothy Thompson.*

• • •

"There will be no more alibis. I am sick of them."—*Donald Nelson, returning to his desk after a week's vacation.*

• • •

"We are pledged to fight for Egypt and the Nile valley as if it were the soil of England."—*Winston Churchill, on a recent visit to Cairo.*

• • •

"I'm not very optimistic about getting women back into the home. You can't go 'back' into anything. You've got to offer a new kind of home to meet changing conditions."—*Della T. Lutes, author of Country Kitchen.*

• • •

"A war well fought and well won rarely makes lasting enemies and is usually forgotten; but a bad peace always sows seeds of lasting hatred and revenge."—*Dr. Hu Shih, Chinese Ambassador to U. S.*

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Transit Moves Change Business Picture

Tighter Restrictions Seen Helping Merchants in Outlying Districts

By **IAN SCLANDERS**

As increasing transit problems foreshadow further steps to help keep the wheels of trade turning, businessmen wonder how they will fare as staggered hours plans widen.

When staggered hours were introduced into some centres, business operators who were required to open and close later were fearful that the extra half hour they remained open in the late afternoon would be wasted as their customers would have gone home by that time. Actually, this has not proven to be the case. Very often the first half hour or so of a downtown store's day is quite slow; the staggered hours system has shown that it is more profitable to take off that slow half hour in the morning and tack it on at night. When downtown Montreal stores were told to open later in the morning and stay open until 6.30 in the afternoon, some complaint was heard that there would be no business available after 6.00 p.m. Experience has proven otherwise and the complaints have died away.

Break for Locals

The present situation may possibly bring additional business for the neighborhood merchant. There is a considerable campaign being waged to have ordinary shoppers get downtown and back again between 10 a.m. and 4 p.m. This voluntary restriction of shopping hours downtown would likely divert some trade to the merchants closer to home.

More important, however, are the possibilities for the small town merchant. For years he has watched many potential customers travel to nearby centres just to do their buying in the "city." Shortage of gasoline and tires has helped to cut down that practice and with train riding for pleasure now being frowned upon, there is a very good possibility that small town residents from now on will be doing a more important percentage of their buying right on their own Main Street.

Meanwhile authorities in many Canadian centres congested by war activities are buckling down in an effort to solve their transit problems. This is in response to a letter addressed to municipalities across the country by George Gray, Transit Controller.

Records show the number of passengers carried by buses and street cars is far higher than at this time last year. With cold weather, there will be a tremendous increase. Thus, officials point out, it's important that effective measures be taken without delay. Otherwise the difficulty of war workers in getting to their jobs will slow production.

New equipment is no solution of the situation, as there is little available. The only answer lies in staggering working hours, eliminating unnecessary stops to speed traffic, and rearranging schedules to cope with rush periods, concentrating trams and buses on routes where they are most needed.

In other words the same amount of equipment has to be utilized in such a way as to carry a far heavier volume of passengers.

Windsor's Example

The extent to which the transit problem can be alleviated will depend on the degree of co-operation the transit controller gets from local authorities and business leaders. Quite a few cities already have programmes under way. Windsor, Ont., is an outstanding example. There the hours of 30,000 workers have been staggered so as to spread the load on transit facilities more evenly over the day. Viewed in the light of Windsor's total population — slightly over 107,000 at the time of the last census—this is a notable accomplishment.

Montreal has staggered the hours of 30,000 people; Toronto of some 24,000; Winnipeg of 10,000; Ottawa of 9,000; Vancouver of 17,000. There has also been some staggering of hours in Halifax and Hamilton, and in certain other centres.

All in all, officials estimate that 75,000 store and office workers and 100,000 employees of war plants are now on staggered hours, but this is little more than a beginning. It's quite possible that the hours of twice as many will be staggered before the first snow falls.

Efforts along this line slackened off during the summer, when traffic carried by public transit systems is low, and are gaining momentum with the seasonal increase in traffic.

Some cities which had hoped to get new buses, new trams, to handle the heavy winter passenger volume, now realize that they are due for a disappointment.

The equipment side of the picture is not bright.

Last fall, when Mr. Gray realized that it was going to be hard to get equipment he obtained authority from the Foreign Exchange Control Board to place orders in the United States. He ordered 175 vehicles. It now appears uncertain whether more than 40 of these will be delivered, because on July 15 U.S. production officials banned the manufacture of buses, only permitting manufacturers to complete those for which they had on hand "balanced inventory of 50% or better"—in other words, more than 50% of the necessary materials and parts.

Ford of Canada has been making buses in Canada at the rate of five a month. The American ban means parts imported for these will no longer be forthcoming, and Ford will not be able to continue deliveries after mid-November. The Transit Controller has frozen all Ford production since July 6, so the vehicles completed thereafter have been available for allocation where most needed

Mr. Gray also had 20 Reo buses made in Canada, and a number of small plants have been building buses on truck chassis, turning out about 25 a month. The 25 were for transit systems the Controller had authorized to buy equipment. The small firms find it increasingly difficult to get truck chassis, and their operations will gradually come to a halt, in all probability.

3,700 Buses in Canada

There are 3,700 buses in service in Canada, not including school buses. Normal replacement runs around 10% per annum, but with the increased mileage travelled and the increased number of passengers carried, the replacement rate under ordinary conditions would be stepped up greatly. Consequently, old vehicles will have to be kept in operation somehow—driven until they will go no further.

To "keep 'em rolling," there may have to be further curtailment of non-essential bus travel, chiefly on interurban runs. That's because urban and suburban buses carry more war workers than interurban buses.

An order has recently been issued that all new buses must be finished in one color—khaki green—and have markings of standard size. It was felt this was desirable in view of the fact that it may become necessary to switch a bus from one place to another and the colors of individual bus lines might cause confusion. If a bus is switched, it won't have to be repainted now.

Street Cars

So far as street cars go, the Transit Controller ordered 100 fast trams for Toronto, Montreal and Vancouver. They were to be made by Canadian Car & Foundry, but parts had to be imported from the United States. When American restrictions were clamped down, there were only parts available for 50. It is possible, but doubtful, whether more than 50 can be completed, so the three cities will have to get along with half as many new trams as they counted on.

Mr. Gray's letter to municipal authorities and transit operators asked that the following measures be generally adopted:

1. Staggered hours for large concentrations of workers in industry, stores and offices according to a carefully prepared plan to spread the morning and evening rush hour loading over longer intervals of time. A change in school opening hours in certain instances would lessen overcrowding.

2. Improved regulation of street traffic in order that main arteries may function as thoroughfares for the free and fast movement of vehicles, particularly during peak hours. Parking and deliveries on downtown car-line streets should be prohibited during morning and evening rush hours.

3. Reduction in the number of car and bus stops and the speeding up of passenger interchange movements at heavy transfer points for increased efficiency and speed on passenger transit lines. The faster the service, the more people will be moved in a given time.

4. Because of rubber and gasoline shortages, transit companies must make the fullest use of car lines and the minimum possible use of bus equipment. Bus lines operating along or closely paralleling street car routes must be eliminated, except in circumstances where rail service during the rush period is quite inadequate.

5. No extension of facilities should be made to other than war industries or establishments of the armed forces. Service to outlying districts which in the emergency can be considered as unnecessary, must be eliminated.

6. Improved efficiency and two shifts, if possible, instead of one in the repair shops will result in fewer vehicles being out of service at any one time.

7. Judicious parking of bus equipment between rush hours instead of dead-heading back to main storage points, would save much gasoline and rubber.

8. It has been in many instances advisable to appoint in each city a local transit committee to assist the municipal authorities and the transit utility to effect these adjustments and improvements. As a rule, industry, business, labor and other affected interests are represented on the committees.

The Week in Business

Perhaps somewhat unexpectedly, the cost of living in Canada was lower at Aug. 1 this year than it was at July 1. The decline was small, however, and will not go far toward convincing the average householder that the goods he buys do not cost him more. The August decline was due to lower prices for beef and vegetables, the former small consolation for the housewife who finds herself unable to buy meat at any price. Worth noting is the fact that the Dominion index does not include the new taxes imposed on cigarettes and tobacco.

Cost of living index at 117.7 for Aug. 1. compares with 117.9 for July 1 and indicates a wartime increase of 16.8%. A year ago the index was at 113.7.

Payrolls and employment continue to soar. D.B.S. employment indices show a gain of 4 points in June for all industries and one of 3.6 points for manufacturing. Payrolls at 130.0 on July 2 this year compares with 125.5 a month earlier and 103.9 a year ago.

Wholesale sales index at 154.2 for July compares with 167.5 for June and 147.1 for July, 1941. Country store sales are 10.6% above a year ago.

Iron and steel production in July was high with steel mills operating at an average of 92% of capacity. For the first seven months of 1942 there has been an increase, as compared with the corresponding period of 1941, of 330,000 tons, or 40.7%, for pig iron and 308,000 tons, or 20.4%, for steel.

Contracts awarded in August this year totalled $31.8 millions, down $4.3 millions from a year ago. From the year to date the total is down $84.7 millions, or 29.8%.

Marketings of both cattle and hogs in August this year were below the same month last year. For the year to date cattle sales are up 1.7% and hog sales up 7.8%.

	Aug.	July	June	May	Year Ago
The Financial Post business index	....	*163.6	165.7	168.5	164.9
Dom. war expend. (million $)	....	190.4	138.3	204.9	107.8
Dom. total revenue (do.)	....	121.8	115.4	333.9	96.1
Dom. total expend. (do.)	....	350.8	423.6	386.2	146.7
Retail sales index no.	....	....	150.7	149.1	134.3
Dept. store sales index no.	....	145.1	134.0	140.1	132.5
•Wholesale sales index no.	....	154.2	167.5	158.7	147.1
•Country store (% change pr. yr.)‡	....	+10.6	+14.6	+11.7	+8.8
Divd. payment index♦	123.5	122.6	121.8	120.9	118.9
Bank deposits (1926=100)	....	164.8	160.1	167.6	156.4
RAILWAY FREIGHT LOADINGS—					
Tons	....	176.5	188.9	182.3	164.1
Cars	....	148.1	141.4	142.3	139.6
COST OF LIVING—					
•D.B.S. index	117.7	117.9	116.7	116.1	113.7
EMPLOYMENT INDEX Nos. D.B.S.—					
•All industries	....	175.7	171.7	167.4	157.4
•Manufacturing	....	209.5	205.9	202.3	172.4
•Payroll (June 1/41=100) (b)	....	130.0	125.5	124.0	103.9
Payroll index (a) (1937=100)	....	....	201	197	170

			Jan. 1 to date		%
RAILWAYS—	1942	1941	1942	1941	Change
•Carloadings (week Aug. 29)	66,241	67,162	2,223,949	2,060,586	+7.9
•C.N.R. gross (week Aug. 31)	$ 11,286,000	8,580,000	236,967,000	193,719,000	+22.4
•C.P.R. gross (week Aug. 31)	$ 7,632,000	6,898,000	165,013,000	139,189,000	+18.6
C.N.R. net revenue (July)	$ 7,732,147	4,916,312	45,751,017	37,024,523	+23.6
C.P.R. net revenue (July)	$ 3,268,451	3,195,419	25,216,534	23,115,113	+9.0
IRON AND STEEL—(July)—					
•Pig iron production (tons)	172,152	114,425	1,146,153	814,862	+40.7
•Steel ingots and castings prod. (tons)	256,560	220,994	1,815,798	1,507,141	+20.4
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (June)	474	8,099	14,044	58,083	—75.8
Trucks and Buses:					
Domestic sales* .. (June)	546	3,554	11,817	20,770	—43.1
Financing:					
Used (July)	$ 1,944,274	5,725,016	11,660,309	34,952,603	—66.6
New (July)	$ 291,045	3,478,182	5,503,691	26,151,331	—79.0
CONSTRUCTION—					
Contracts awarded . (Aug.)	$ 31,771,200	36,129,300	198,811,800	283,350,700	—29.8
Cement prod., bbls. (June)	1,076,733	958,869	3,469,176	3,351,121	+3.5
AGRICULTURE—					
•Flour prod., bbls. .. (July)	1,590,219	2,116,986	11,315,427	12,133,485	—6.7
•Cattle sales▲ . .... (Aug.)	98,176	110,413	708,029	695,702	+1.7
•Hog sales▲ .... (Aug.)	331,246	341,833	3,939,989	3,652,587	+7.8
SEA FISHERIES—‡					
Catch, cwts. .... (June)	810,400	857,800	4,101,540	3,546,400	+15.6
Landed value ...... (June)	$ 3,384,300	2,581,300	9,670,446	7,411,900	+30.4
NEWSPRINT—					
Production, tons ... (July)	241,178	293,483	1,899,352	1,914,617	—0.7
Exports .... (May)	$ 11,868,000	12,572,000	62,153,000	56,489,000	+10.0
MINING AND OILS—					
•Coal prod., tons ... (July)	1,474,462	1,214,319	10,939,326	9,676,067	+13.0
Gold rec., fine oz. . (July)	431,435	453,184	2,801,623	2,993,063	—6.3
Petroleum prod., brl. (June)	1,180,712	818,000	5,568,700	4,873,000	+14.2
ELECTRIC POWER OUTPUT—(June)					
Total monthly, 1,000 kw.h.'s	2,965,655	2,661,145	21,578,039	18,393,530	+17.3
FOREIGN TRADE—♦					
Imports .... (Apr.)	$141,946,063	106,268,419	548,514,620	402,264,731	+36.3
Exports .... (Apr.)	169,997,596	118,393,094	667,451,667	410,828,290	+62.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (May)	172,854	152,756	701,305	782,052	—10.3
Shoes, prod., pr. .... (June)	2,891,123	2,781,325	16,493,270	14,956,922	+10.3
Cotton consump., lb. (June)	14,970,262	15,915,739	99,626,902	98,620,215	+1.0
Cigarette cons., No.† (July)	843,605	772,165	5,479,226	4,580,845	+19.6
Sugar manufactured .. lb.§	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† ...... (July)	$ 3,704,133	3,241,707	25,295,840	22,054,806	+14.7
Bond sales† .... (July)	$ 218,966	111,334	2,237,252	1,684,950	+32.8
Life insurance sales (July)	$ 44,868,000	32,681,000	283,648,000	231,447,000	+22.6

•D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
♦Supplied by Nesbitt, Thomson & Co. *Final.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

Hemlock Shipments to U. S. To Taper Off Sharply

From Our Own Correspondent

VANCOUVER.—Timber Controller A. S. Nicholson has issued orders "tapering off sharply" the export of hemlock and other pulpwood logs to the United States from British Columbia, but loggers expect that the effect of this order will not be felt until present orders have been delivered.

The Timber Control Board evidently found that the arguments of B. C. pulp and paper mills outweighed those of the American pulp mills which last year took nearly 200 million board feet of hemlock and balsam logs from this province.

The order was issued following a visit to Washington, D.C., by Mr. Nicholson and his west coast assistant, D. D. Rosenberry of Vancouver.

Meanwhile representatives of Powell River Co. and Pacific Mills, the two big British Columbia newsprint producers, have gone to Ottawa to participate in the conference over allocation of newsprint production.

When they left the coast, the paper mill executives had no idea how the planned restrictions would affect their operations, but one fact is expected to weigh in their favor—that the British Columbia mills are not dependent on central sources of power and do not compete with other industries for their hydro energy, as some plants do in the East.

For that reason they see no valid reason for curtailment of their production beyond the natural limitations already brought about by inadequate labor supply and shortage of logs. The desire to co-operate in whatever national programme is established, however, is evidenced by the organization of a west coast branch of the Canadian Pulp & Paper Association with Herbert McKenzie as secretary.

It is now **ILLEGAL**
to **HOARD** scrap steel
or **UNUSABLE** machinery

The Steel Controller has ordered that, after September 15, 1942, no person may retain in his possession scrap iron or steel weighing a total of 500 pounds or more unless he has a permit.

(For the purposes of the new regulations, scrap metal includes machinery, structural steel, or any other article or commodity containing iron or steel, which is not serving an immediate vital purpose.)

The order also provides:

That anyone, coming into possession after September 15 of scrap iron or steel weighing 500 pounds or more, must dispose of it within 20 days.

That any person having a valid reason for not disposing of scrap metal as scrap metal or who believes that it can serve some essential purpose, must send in a report by September 15 to the Used Goods Administrator of the *Wartime Prices and Trade Board*, Lumsden Building, Toronto. His report must reveal the exact description, quantity, and location of his scrap metal.

The provisions of the order do not apply to scrap dealers who are already subject to previous orders; nor do they affect metal fabricators and processors who are in legal possession of metal to be used in manufacturing.

A copy of the order, S.C. 16, may be obtained from the Steel Controller, Department of Munitions and Supply, Ottawa.

Infractions of the new regulations are subject to a fine of up to $5,000, or imprisonment of up to five years, or both fine and imprisonment.

Department of Munitions and Supply
HONOURABLE C. D. HOWE, MINISTER

494

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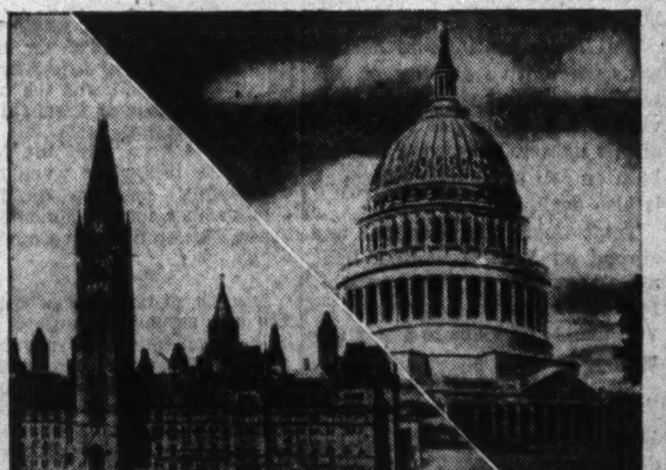
2. PART OF THE MONEY you pay as premiums on your life insurance goes into reserves . . . and these reserves are invested to earn the interest that helps pay the cost of your insurance. Today a larger and larger part of these life insurance reserves is helping the Canadian Government and the United States Government to finance the war program.



3. AT THE END OF 1941, life insurance companies had invested nearly 7 billion dollars in Canadian and United States Government Bonds. This is about 21% of all life insurance company assets. Metropolitan alone now has more than $1,465,000,000 invested in Canadian and United States Government Bonds. This represents over 24% of the Company's assets.

4. THESE LIFE INSURANCE DOLLARS are helping to buy planes, tanks, ships, guns, bombs, shells, and weapons of all kinds to safeguard our lives and liberties. Still other dollars, invested in industry and agriculture are helping to finance transportation, the production of power, steel, chemicals, oil, food, and other materials necessary to ultimate victory. So for the duration of the war, you can have the satisfaction of knowing that more and more of the dollars you have invested in life insurance are flowing to the place where they are most needed . . . the war chest of our nations!

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Frederick H. Ecker, CHAIRMAN OF THE BOARD Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE, OTTAWA

This is Number 52 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

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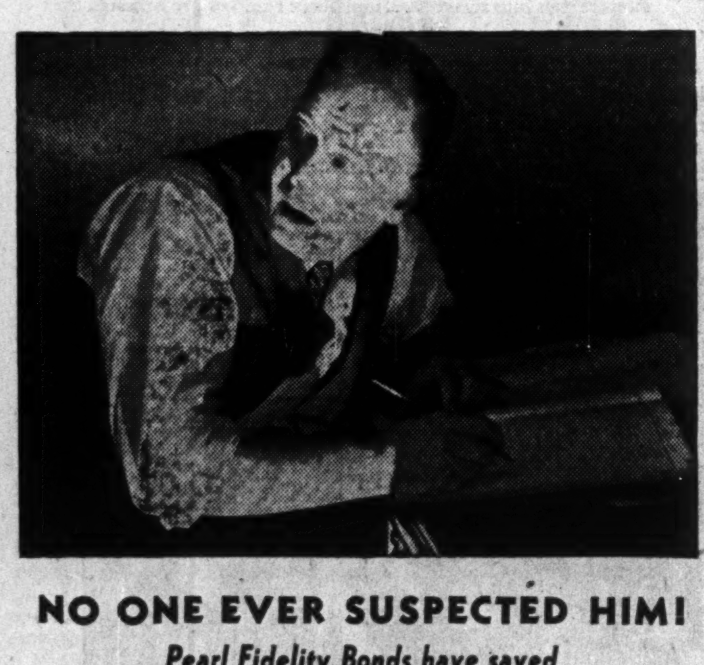

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W. C. BUTLER, Manager for Canada H. G. FLOWER, Assistant Manager
THE EUREKA-SECURITY FIRE AND MARINE INSURANCE COMPANY
INCORPORATED [illegible] — SAME YEAR AS PEARL — POLICIES GUARANTEED BY THE PEARL

Bomb Insurance Starts Sept. 15

Rates Start at 15 Cents Per $100 for Dwellings

Applications for war risk insurance under the Dominion Government plan are now being received by Canadian insurance agents and companies acting as representatives of the government. Applications are being made by those who wish more protection than the limited free indemnity provided by the War Risk Insurance Act on dwellings and household effects.

Insurance under the new policies will be effective Sept. 15.

The property owner wanting insurance on his property can obtain information through licensed fire insurance agents who are cooperating fully with the government in the matter. The agents do the selling and collect the premiums, the policies will be issued by the Dominion licensed companies, and the government carries the risk.

Voluntary Plan

The plan is entirely voluntary. Nobody need take out the insurance unless he wants to. But in case a claim occurs nothing will be paid if no insurance under the plan is carried except the free indemnity given to everybody by the government for limited amounts.

The free indemnity provided by the act gives $3,000 insurance on the dwelling in which the owner ordinarily resides. This does not include garages, barns or other outbuildings. It gives $800 on personal property such as household effects of all householders, no matter where located. This is increased to $1,200 if the citizen is married and his wife is living with him. It is also increased by $100 for each child under 16 living at home.

Third provision of the free plan is for $200 on the personal property of a non-householder or any person over 16 years of age. This would include boarders, roomers, etc.

In claims made under the first clause no payment will be made unless the damage exceeds $50. In the other cases losses must be over $25 to be payable. The limit of indemnity payable for any one article under the free indemnity clause is $100 and for all works of art, precious metals, jewellery, stamp collections, curiosities, books, manuscripts and furs the limit that will be paid is $250.

Extra Coverage

Where insurance is desired above the free indemnity granted by the government or on property excluded from the coverage insurance will have to be taken out under a war damage policy. Premiums must be paid with the application for insurance. The insurance is not in effect until the premium is paid. Policies will be for one year and are non-cancellable except for reduction in values or in event of change of ownership or the assured's interest in the property.

Protection given by the government's policies cover:

Damage by open enemy action or action to combat a real or imagined attack by the enemy.

Damage caused by proper authorities taking measures to avoid the spreading of or mitigate the consequences of enemy action.

Damage caused by the proper authorities taking action to prevent or hinder an actual or anticipated enemy action.

Damage caused by explosion of a concentration of explosives being lawfully transported, manufactured or stored in Canada for war purposes by any person other than the assured. This covers a person suffering loss to his property from an explosion in a factory, truck or train belonging to somebody else.

Some Limitations

The policy does not give protection against damage resulting from restricted lighting, or measures for training purposes or persons acting as secret agents of any enemy country.

Accordingly it does not protect against what is commonly called sabotage protection for which must be taken out under a war risk policy with a specific endorsement for sabotage and malicious damage.

The rates charged for insurance under the government plan are:

On dwellings, outbuildings and contents, private automobiles, apartment buildings of six suites or less, contents in private use, farm properties and contents, 15 cents per $100.

On churches, hospitals, libraries and public buildings 15 cents per $100 with 90% co-insurance.

On all other property except stock, floaters, transit risks and vessels under construction 25 cents per $100 with 90% co-insurance.

There is no co-insurance clause as regards building or content of residence or farm properties.

Premiums paid for war risk insurance under this act can be deducted from income as an expense before computing income and excess profits tax, provided the property insured is used in the business of the individual and only to the extent that actual taxes payable are reduced by 40% of the premium.

Bank Investments Increase

Holdings Reflect Purchase of Dominion Certificates

Sale of deposit certificates by the Dominion government to the chartered banks is resulting in an increase in the banks' investments. These investments, according to the latest return of the chartered banks to the Minister of Finance as at July 31 showed an increase of $74.9 millions over the previous month.

Other changes shown in the statement were:

A reduction in all classes of loans from the end of June with most classes of loans lower than a year ago.

Increases in both public savings and demand deposits.

Declines in deposits of the Dominion government.

Under the system of interim financing adopted in July the Dominion was authorized to sell $500 millions of deposit certificates to the chartered banks in weekly installments. These deposit certificates are to run for 26 weeks from date of issue and bear interest at ¾ of 1%. The first sale was made July 29, for $75 millions, corresponding almost exactly to the increase in bank investments. The following week another $75 millions were sold and the third week $50 millions. The amounts of the weekly sales vary but as long as this method of financing continues, investments of the banks will likely show an increase from week to week.

Up to time of writing it is estimated total sales to the banks are about $345 millions.

46% of Assets

Total investments of all the banks as a group at the end of July accounted for more than 46% of total assets.

While the banks' investments have been increasing their loans have been falling. Current loans were down $32.5 millions on the month and $160.7 millions from last year. Reduction is due to a number of factors. One is that as the wheat crop is liquidated, wheat loans are paid off and new loans on the new crop have not been sufficient yet to offset the decline. Loans to industrial and commercial concerns have also been dropping as their financial resources rise on the increased business activity.

Call loans continue to decline with speculative activity on the security markets shrinking. Provincial and municipal borrowing also is lighter. Borrowing abroad, both on call and current account, is also declining.

Total loans in Canada and abroad on July 31 were a little more than 30% of total assets. A few years ago the position of investments and loans to assets was reversed.

Public Deposits

Meanwhile public deposits have been increasing, both savings and demand accounts. The increase in the total for July was $117.9 millions.

Dominion government deposits, in spite of the weekly sale of deposit certificates, have been declining. Compared with June, they were down $59 millions and $432.3 millions below last year, reflecting war expenditures. Deposits of the provincial governments were $5 millions below the previous month but $31.4 millions higher than last year.

With deposits increasing more rapidly than loans, The Financial Post Credit Index, which is the ratio of current and call loans* in Canada to savings and demand deposits in Canada, was lower for both the month and the year.

Use of Bank Credits
(In Millions of Dollars)

	July 1942	June 1942	Change	July 1941	Change
Loans	1,122.2	1,164.9	—42.7	1,213.4	—190.2
Investments	1,957,9	1,883.0	+74.9	1,680.5	+277.4
Total	3,080.1	3,047.9	+32.2	2,992.9	+87.2
Deposits	2,005.2	2,887.3	+117.9	2,497.9	+507.3
Credit index*	34.7%	37.3%	—2.6%	48.4%	—13.7%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	July 1942 $	June 1942 $	Change $	July 1941 $	Change $
Immediately Available Liquid Assets					
Canadian coin	6,769,343	6,485,346	+283,997	6,575,611	+193,732
Bk. of Can. notes	90,489,102	99,037,423	—8,548,321	91,520,975	—1,031,873
Bk. of Can. depos.	271,640,204	221,404,211	+50,235,993	216,300,690	+55,339,514
Bank's cash	368,898,649	326,926,980	+41,971,669	314,397,276	+54,501,373
Other banks' notes	1,946,768	2,529,264	—582,486	2,780,014	—833,246
Gold, sub. coin abd.	2,784,790	2,840,021	—55,231	3,192,217	—407,427
Foreign banks	184,018,016	180,788,249	+3,229,767	196,903,794	—12,885,778
Foreign currency	43,497,855	44,711,082	—1,213,227	31,500,411	+11,997,444
Gov. sec. short term	852,465,874	788,800,215	+63,665,659	829,926,825	+22,539,049
Do., long term	829,867,778	837,299,987	—7,432,209	604,791,819	+225,075,959
Call loans abroad	52,899,885	54,181,434	—1,281,549	43,500,541	+9,399,344
	2,336,379,615	2,238,077,232	+98,302,383	2,026,992,897	+309,386,718
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	76,847,469	77,430,356	—582,887	83,040,464	—11,192,995
Public secs.♦	118,280,228	97,798,045	+20,482,183	63,704,992	+54,575,236
Other secs.	80,438,829	81,669,304	—1,230,475	94,092,563	—13,653,734
Can. call loans	26,151,749	28,156,485	—2,004,736	33,819,578	—7,667,829
Current loans	1,016,658,023	1,049,170,065	—32,572,042	1,177,430,527	—160,772,504
Loans abroad	126,759,255	133,866,452	—7,107,197	134,883,531	—8,124,276
Prov. loans	3,716,162	11,839,831	—8,123,669	13,413,362	—9,697,200
Mun. loans	75,620,207	75,771,113	—150,906	87,742,524	—12,122,317
	1,524,471,922	1,555,701,651	—31,229,729	1,693,127,541	—168,655,619
Other Assets					
Non-current loans	4,128,547	4,126,648	+1,899	5,341,335	—1,212,788
Real estate	5,984,661	6,020,730	—36,069	6,767,690	—783,029
Mortgages	3,481,947	3,481,420	+527	3,553,964	—72,017
Premises	69,431,906	69,408,985	+22,921	70,385,711	—953,805
Letters of credit	117,231,446	122,470,197	—5,238,751	94,429,345	+22,802,101
Loans to comp.	11,090,662	11,619,829	+70,833	11,099,344	—8,682
Other assets	1,781,673	1,918,409	—136,736	1,741,369	+40,304
	213,130,842	218,446,218	—5,315,376	193,318,758	+19,812,084
Total	4,073,982,379	4,012,225,101	+61,757,278	3,913,439,196	+160,543,183
Note circ. dep.	4,016,842	4,578,733	—561,891	4,534,550	—517,708
Int. bank bal.	167,753,394	177,745,750	—9,992,356	136,291,020	+31,462,374
Gross	4,245,752,615	4,194,549,584	+51,203,031	4,054,264,766	+191,487,849
LIABILITIES					
To the Public					
Circulation	74,976,140	74,434,996	+491,144	62,835,134	—7,858,994
Dom. Govt.	70,077,904	129,117,217	—59,039,313	502,466,014	—432,388,110
Prov. Govt.	98,901,356	104,467,497	—5,566,141	67,279,794	+31,621,562
Deposits by Public					
Demand dep.	1,351,612,498	1,289,174,406	+62,438,092	1,009,182,806	+342,429,692
Savings dep.	1,653,596,566	1,598,136,326	+55,460,240	1,488,737,875	+164,858,691
Total	3,005,209,064	2,887,310,732	+117,898,332	2,497,920,681	+507,288,383
Foreign dep.	506,217,845	506,011,744	+206,101	440,169,245	+66,048,600
Due to Bank Abroad, Etc.					
United Kingdom	20,917,050	20,268,216	+648,834	21,444,513	—527,463
Foreign	33,597,267	33,777,240	—179,973	30,648,654	+2,948,613
Bills payable	....	37,939	—37,939	4,389	—4,389
Letters of credit	117,231,446	122,470,197	—5,238,751	94,429,345	+22,802,101
Other liabs.	4,768,262	4,422,909	+345,353	5,316,935	—548,673
Total pub. liabs.	3,931,896,334	3,882,368,687	+49,527,647	3,742,514,704	+189,381,630
Due bet banks	12,296,056	12,799,577	—503,521	11,783,635	+512,421
Liability to Shareholders					
Dividends	2,785,835	1,490,304	+1,295,531	2,807,873	—22,038
Reserve	134,750,000	134,750,000	....	133,750,000	+1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,227,228,225	4,116,908,568	+50,319,657	4,036,356,212	+190,872,013

♦Other than Canadian.

Insurance Notes

W. S. Briggs has attained the presidency of the Quarter Million Club of the Mutual Life Assurance Co. of Canada. This is the highest honor a member of the field force of the company can win. Mr. Briggs has been with the Mutual Life since 1930, since when he has consistently been a production club member, including membership in the Master Builders Club of the company.

* * *

A series of meetings of Canadian fire and casualty insurance agents is being planned to acquaint the agents and company representatives with details of the government war risk insurance scheme.

Meetings will be under the auspices of organized agents associations. Members are to be asked to bring along other agents, who may not be members of any association, as the object of the meetings is to educate all agents in the plan.

* * *

Representatives of the automobile insurance companies in a number of the eastern states will meet with the insurance commissioners in New York Sept. 15 to consider reductions in automobile insurance rates as a result of gasoline rationing. It is understood a number of the companies have agreed reductions in property damage and public liability are in order. The meeting in New York is to decide what the reduction should be. Companies in Canada generally made reductions last March.

It is understood the Canadian plan will serve as a basis of the discussions at New York.

About 300 persons attended the 36th grand nest convention of the Blue Goose International at Toronto this week. More than half those in attendance were from the United States. Most Loyal Grand Gander, C. J. Malcolm of Toronto, presided.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

W. BALDOCK to be accountant, Pembroke, Ont.

W. G. JOHNSTON to be accountant, Timmins, Ont.

Canadian Car & Foundry Co. has signed a one-year collective labor agreement with the employees' association at the Montreal Longue Pointe plant. The plant was the scene of a recent strike by members of the United Steel Workers of America, a C.I.O. affiliate, which followed a dispute between the employees' association and the steel workers regarding sole bargaining rights for the 2,000 plant employees.

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C.U.A. Has New Agency Form

But Non-Tariff Companies Are Opposing the New Scheme

Canadian Underwriters Association have issued a new agency contract designed to give a certain amount of segregation between agents writing for tariff and non-tariff fire insurance companies.

Under the plan, agents outside Toronto and Montreal are divided into three groups, according to the proportion of fire insurance business they place with tariff companies. The three groups are:

Class A. Agents who have placed at least 50% of their business with the tariff companies during the past year and agree to continue to place at least 50% for the next two years, with 75% the third and succeeding years.

Class B. Agents who agree to place 35% of their fire business with tariff companies for the next two years and 50% the third and succeeding years.

Class C. Other agents not qualifying for class A or B who by July 31, 1943, raise their tariff business to class B level or surrender rating materials, etc., of the association.

Commision rates paid by the tariff companies will vary according to the agent's classification.

Agents will be required to take an affidavit, stating the percentage of fire insurance premiums paid members of the Canadian Underwriters Association in the last 12 months, farm policies excluded.

Compliance with the requirements for the association's rating is necessary to entitle an agent to the use of the association's maps, rating material and other services.

Non-tariffs Oppose

Non-tariff insurance companies are opposing the C.U.A. contract. Through the Independent Fire Insurance Companies Conference they have issued a circular urging agents to study the whole import of the C.U.A. proposals. It urges agents to consider:

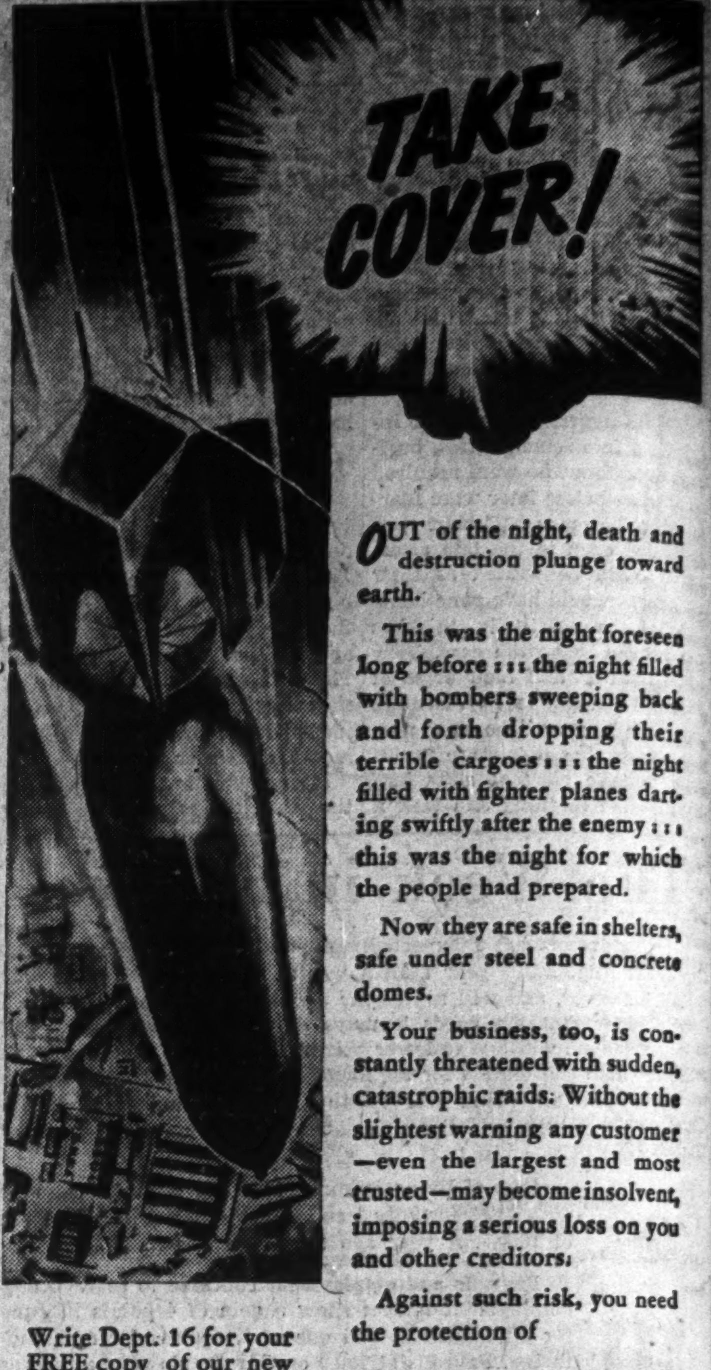
"That these new commission rules do not apply to agents in Toronto whose commissions are not limited, and are not being asked to sign this arbitrary agreement which it seems to us is being forced on outside agents. Why is this?

"That by signing this agreement and affidavit under oath the agent relinquishes his freedom of action in regard to competition; gives an association the arbitrary right to audit his books at any time, and agrees that, on evidence so obtained or 'without cause' at any time, upon one month's notice, his contracts with member companies may be in effect cancelled by taking up all plans, rates, forms and other documents, although he may have spent years of effort in building up his income with such members, and his loyalty to them may be unquestioned. . . .

"Is it beyond the range of possibility that if you sign this agreement you will shortly be asked to go a step further and sign a similar undertaking in regard to automobile and casualty business? Would this be in your best interests?"

Weekly Bank Clearings

	Sept. 3 1942 $	Change Year Ago %	Aug. 27 1942 $
Saint John	2,298,816	+18.7	2,244,852
Moncton	1,154,692	+21.8	1,128,060
Sherbrooke	1,148,234	+28.6	883,464
Quebec	6,503,319	+44.6	4,992,843
Montreal	141,554,858	+25.4	112,566,957
Ottawa	69,353,288	+54.6	44,507,157
Kingston	747,658	+3.9	717,709
Peterborough	877,972	+23.2	763,576
Toronto	168,619,049	+30.6	130,519,060
Hamilton	8,001,432	+17.1	7,231,481
St. Catharines	1,512,398	+19.5	1,228,322
Kitchener	1,339,427	+12.0	1,070,450
Brantford	1,095,995	+10.4	942,258
London	3,118,587	+22.2	2,742,445
Chatham	611,866	+71.8	586,126
Sarnia	593,718	+19.2	413,452
Sudbury	1,099,719	+11.2	1,257,327
Fort William	1,133,686	+17.8	1,166,582
Winnipeg	41,578,033	—19.2	36,064,751
Brandon	524,767	+5.0	463,337
Regina	4,291,362	—13.0	4,095,863
Moose Jaw	764,997	+7.1	674,076
Saskatoon	1,983,523	+22.9	1,596,993
Prince Albert	531,600	+28.9	518,461
Edmonton	6,624,627	+28.1	6,039,235
Calgary	7,735,884	+22.3	5,948,810
Lethbridge	701,071	+13.2	597,037
Medicine Hat	336,302	—8.3	299,289
N. W'minster	1,053,331	+21.2	1,204,915
Vancouver	26,931,044	+29.5	27,368,225
Victoria	2,172,643	+17.0	1,730,184



OUT of the night, death and destruction plunge toward earth.
This was the night foreseen long before ... the night filled with bombers sweeping back and forth dropping their terrible cargoes ... the night filled with fighter planes darting swiftly after the enemy ... this was the night for which the people had prepared.
Now they are safe in shelters, safe under steel and concrete domes.
Your business, too, is constantly threatened with sudden, catastrophic raids. Without the slightest warning any customer —even the largest and most trusted—may become insolvent, imposing a serious loss on you and other creditors.
Against such risk, you need the protection of
CREDIT INSURANCE
An American Credit policy is the strategic defence employed by thousands of manufacturers and wholesalers to protect working capital and profits against unforeseen credit losses. American Credit *guarantees* payment of accounts receivable ... *guarantees* reimbursement for losses caused by the insolvency of customers.
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FOR MUTUAL LIFE ASSURANCE.

London Calling

by Adelphi

LONDON.—Churchill's return has aroused intense interest in what he is going to say to Parliament. The Prime Minister, while being given full credit for his dangerous and exhausting flight, was not too well served by enthusiastic publicists and camera men who in Cairo presumably, urged him to wear this hat or that, and to be photographed with a baby. Camera men are rather a naive race and not always the best judges of political repercussions. Baldwin had a pipe, Chamberlain an umbrella, Churchill has hats and the victory sign. He really does not need these auxiliaries to popularity and, good natured as he is, he ought to resist the blandishments of the men with cameras.

* * *

As I predicted last week there is a "Wavell Boom" on. Many people are saying that he ought to be appointed Commander-in-Chief of the British Forces in the United Kingdom.

* * *

Chubby Charms

"Chubby" Powers, Canada's Minister of Defense for Air, has been visiting London. He speaks his mind, does Mr. Powers, and is never lacking in eloquence or picturesque narrative.

HON. C. G. POWERS

Whitehall says that the meeting between the stately Sir Archibald Sinclair with his rounded Gladstonian phrases, and Mr. Powers with his exuberant direct approach was something to delight posterity.

But then Whitehall is a whispering gallery. Maybe it was Mr. Powers who had the Gladstonian manner and Sir Archibald Sinclair who was the breezy one. On the other hand—maybe not.

* * *

Prom Personality

Just for a moment let us pause in the endless contemplation of war and join in the general salute to old Sir Henry Wood who has just completed his 40th successive year of "Proms."

This season the "Proms" were extended by a month and yet the average nightly attendance was 6,000. The appetite of the British for good music is simply insatiable.

Sir Henry is not a great conductor. He has not the wit or elegance of Beecham, the brooding forcefulness of Sir Ernest MacMillan who is highly regarded over here, the serene fire of Toscanini or the suave emotionalism of Bruno Walter, but he is a first rate musician who does not obtrude his personality between the audience and the composer.

On the last night of this season's Proms the ovation went on for more than a quarter of an hour. The venerable Sir Henry bowed until he was exhausted—and then went out and ate a hearty supper.

* * *

Realism Lays Eggs

There has been a swift casualty on the theatre front. You may recall my comments on the problem facing theatre managers, owing to the fact that one realistic war play after another was appearing. The most recent production was "Escort" written by the eminent counsel Sir Patrick Hastings. It showed a thoroughly accurate picture of a converted merchantman attacking two German cruisers in order to save the convoy. The inspiration of the play was no doubt the immortal story of the "Jervis Bay" in the Atlantic.

Basil Dean produced the play and contrived a heaving stage with terrific sound effects. At the end the ship goes down with all on board. The critics did not like the play. Neither did the public. It is coming off after a fortnight's run. Now the managers are scratching their heads. Any author with a realistic play in his pocket had better keep it there for a month or two.

* * *

A Duke Passes

The tragedy of the Duke of Kent goes deeper even than it would normally have been at the death of a much-loved Prince. In the Royal family there was a natural temperamental affinity between the present King and the Duke of Gloucester, while there was a corresponding affinity between the Duke of Windsor and the Duke of Kent. In the case of the latter two there was a tremendous zest for life, a frequent impatience with tradition and formality: with the other brothers there was a stern, almost puritanical acceptance of the duties imposed upon them by their birth.

The death of the Duke of Kent must intensify the sense of detachment inseparable from the position of the Duke of Windsor.

The tragedy even extends in the case of the young widow beyond the poignant grief at the death of her husband and the father of her children. Her favorite sister is married to Prince Paul of Yugo-Slavia, a man who had not the strength of character to face the supreme ordeal of his country when the crisis came. Prince Paul is a refugee, a figure of shame. The Duchess of Kent cannot seek the solace of her sister's affection for the cruel hand of destiny keeps them apart.

The Duke of Kent put everything else aside when the war came. He insisted that he should take the risks of his position. He was proud of his Air Force uniform and anxious to be one in spirit and reality with that great band of brave young manhood. When he got a chance he paid fleeting visits to his home where he would spend hours playing with his children. His wife adored him. She was deeply and passionately in love with him, and the blow has hurt her cruelly.

It seems so short a time when the Duke and his lovely young bride drove through the streets of London to the cheers of the millions of romanticists who make up London's population. And it also seems but a year or two ago when Queen Mary and her husband drove through London on a radiant morning while the people acclaimed the jubilee of their much loved Sovereign and his Queen.

Now the two of them are widows. War spares neither palace nor cottage, and just as the nation rejoiced with them in their days of happiness — now it shares their sorrow and their tears.

* * *

Bennett the Counsellor?

Viscount Bennett has gone to Canada on a visit. Extraordinary things happen to men in a war. Thus "R.B.," who has never been in an airplane before, makes his first flight a crossing of the Atlantic. Oddly enough his political opponent Mr. Mackenzie King did the same thing. In Canadian circles in London they say that strange things are going on inside the Federal Conservative Party and that Bennett will almost certainly be called in for advice. If that happens I am sure that Lord Bennett's visit had no such primary purpose.

VISCOUNT BENNETT

That his heart is in Canada, no one doubts. That he must have certain regrets at ever having left Canada is a logical assumption but he has made a splendid position for himself in Britain and exerts a benevolent influence on affairs. Even in so short a time he has come to be looked upon as the foremost Empire figure in the United Kingdom.

Canadians will find him little changed except that he looks better and feels better than when they last saw him.

* * *

The Road Home

In the film world there are many personages who may return to England. If Cary Grant comes back and serves in the Army he will at least be assured that his wife, Barbara Hutton will not starve, nor will he have to make too heavy an allotment from his pay for her maintenance. Erroll Flynn, who led the charge of the Light Brigade on the films, has chosen so far to confine his military activities to the battlefields of Hollywood. As for Gracie Fields I feel genuinely sorry for her. She was and is a great woman. Her marriage to an Italian-born film director has been shadowed by the entry of Italy into the war. Criticism, much of it unfair, has almost ruined her health and yet she was the veritable Queen of Lancashire, the female counterpart of Lord Derby who is called the King of Lancashire. I think she will come back and she will regain her friends.

Sir Thomas Beecham is over military age, but he would be wise to return to his native land. Music has need of him and the nation has need of music. He feels with some bitterness that he is not esteemed at his proper worth in England. That is only partially true. As I have said before in these notes the public clamor for classical music has grown in this war out of all belief. In London itself I am certain that one could run six orchestral concerts a night and that there would not be a vacant seat. Beecham did so much in sowing the seed through the lean years. It is too bad that he will not come back and participate in his own triumph. The Metropolitan does not really need him in New York.

Your Investments

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2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Fleet Aircraft

Will you be good enough to let me have your opinion of the stock of Fleet Aircraft Co. Is it making any profit at all?

Fleet Aircraft Ltd., like other aircraft manufacturers, is extremely busy in government work. However, the companies in this field have yet to establish more than ordinary earnings on their capital stock. In 1941 Fleet Aircraft showed a net profit of $185,381, after taxes. This contrasted with $133,073 in 1940. Earnings per share amounted to 97 cents, as against 70 cents the year before. No dividends have been paid by the company on its capital stock.

Apparently it is the policy of the management to build up working capital to take care of the company's growing needs. At the beginning of this year working capital was just over $1 million, which represents an improvement of nearly $800,000 since the start of the war. There is no particular reason for the present low price of Fleet Aircraft stock. The market generally has declined over recent months and a speculative issue, such as Fleet Aircraft has followed much the same trend.

C. P. R.

At present I am interested in buying C.P.R. Would you be good enough to give me some information regarding the book value of the common shares.

Canadian Pacific Railway's revenues have advanced substantially as a result of the greatly increased volume of traffic arising out of the war. For the first half of the current year net operating revenues totalled $21.9 millions, an increase of 10.18% over the like period a year ago. In 1941 the net income was equivalent to $2.19 a share on the ordinary stock, as against $1.13 the year before. Working capital of the company at the beginning of this year had increased to $58 millions.

Financially the position of the company has undergone a marked improvement and the equity back of the ordinary shares has increased to more than $40 a share. While operations and revenues of the company have greatly improved, it appears to be the policy of the management to conserve resources to take care of any possible contingencies arising out of the war, and also to ensure that the company will be in a position to take care of debt maturities and any capital expenditures which may be necessary at the end of the war.

Great Lakes Paper

There seems to be some question over newsprint production holding at a high rate this year. How do you think this might affect Great Lakes Paper A preferred stock?

Great Lakes Paper Co. is currently paying dividends on its class A preferred shares. In 1941, payments totalled $1.50 a share and quarterly payments 25 cents a share being made to date this year. Arrears are still accumulating, however, and amounted to $9.25 a share at July 2 this year. This stock is entitled to $2 a share annual dividend and last year the company earned $2.27. The company has built up a substantial working capital position. While the immediate outlook for newsprint production this year is not as favorable as it was a few months ago, there are certain other considerations to be remembered in thinking of the position of Great Lakes Paper. This company has just brought into operation a substantial increase in sulphite pulp producing capacity, aided by a special depreciation allowance from the Dominion Government. This will add to earnings and it seems reasonable to expect this company's 1942 results will compare favorably with those of 1941 before allowing for the higher taxes to be applied this year.

Montreal Arena

Montreal Arena's property was recently taken over by the government at a price of $300,000. How much will the company distribute to the shareholders?

Montreal Arena Co. expects to distribute its assets to the shareholders within the course of the next few weeks. The garage property has been acquired by the Dept. of National Defense as a price of $300,000. The company has a few other minor assets to dispose of and when the plan has been passed by the Income Tax authorities, the capital will be distributed pro rata among the shareholders. Expectations are the amount distributed will be in excess of the par value of the shares, or more than $5 a share.

Canadian Car

Could you give me any information as to when any payment will be made on back dividends of $9.56 on Canadian Car & Foundry preferred?

Canadian Car & Foundry Co. has been working on a plan to liquidate arrears of dividends of $9.56 a share on the preferred stock. No official information is available on the plan, though it is periodically reported as being ready for distribution to the shareholders. One unofficial report is that part of the $9.56 of arrears—$2.25 a share—will be paid in cash. The dividend rate on the preferred will be raised from $1.75 to $2.20 and the call price advanced from $25 to $32 a share. In addition the preferred shareholders will be given the option to purchase common stock.

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Government War Risk Insurance

INFORMATION OF IMPORTANCE

TO PROPERTY OWNERS

AND ALL CITIZENS OF CANADA

Regarding

THE WAR RISK INSURANCE ACT

Government plan provides for purchasable insurance at low rates

The Government of Canada, by Act of Parliament, has set up a Plan of War Risk Insurance against damage to property caused by enemy action—by countermeasures taken against the enemy—by explosions of war munitions handled by third parties.

In terms of general information, it may be stated that the Plan provides a certain limited FREE COMPENSATION for damage to owner-occupied homes and to chattels, but the main feature of the Plan is that owners of most types of property can protect their property by PURCHASE of GOVERNMENT WAR RISK INSURANCE at very moderate rates.

This type of War Risk Insurance is not being sold today by private insurance companies, because of the risk involved. Consequently, the Government has established a national scheme to make it possible for each citizen in Canada to purchase the sense of security that comes from knowing that if his property does suffer war damage (and the war has come much closer to Canada in the last twelve months) he can call on the resources of Canada to help him make good his property loss.

HOW TO OBTAIN GOVERNMENT WAR RISK INSURANCE

The Fire Insurance Agents and Companies of Canada have volunteered to the Government the services of their extensive facilities and personnel, on a non-profit basis, thus avoiding the setting up of the large organization that otherwise would be needed to handle details of this nation-wide Government War Risk Insurance scheme.

YOUR FIRE INSURANCE AGENT OR COMPANY WILL GLADLY SUPPLY COMPLETE DETAILS OF THIS GOVERNMENT INSURANCE PLAN.

TO HOME OWNERS HOUSEHOLDERS AND OTHERS

Limited free compensation is provided under the Act for War Damage by enemy action to owner-occupied homes up to $3,000; Damage to Householder's Chattels, up to $800—for those of his wife, up to $400—for each child under 16, up to $100—for others, not householders, up to $200;

No policies are needed in this classification but insurance additional to the above amounts may be purchased.

Ask any Fire Insurance Agent or Company for complete details.

THIS ANNOUNCEMENT IS PUBLISHED so that the public may have notice of the Government War Risk Insurance scheme. The information given above is not intended to be a complete resumé of the scheme. Full information regarding conditions, exclusions, etc., is available elsewhere.

FULL DETAILS FROM ANY FIRE INSURANCE AGENT OR COMPANY

Published by Authority of the Minister of Finance

WR-1

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But the best way is to use the DUNLOP TIRE SAVING PLAN

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THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 7

A

Range 1942 High	Low	Div Rate $	Sep5 Y'ld %	Company	Sales	Last Aug. 31	Week end. Sept. 7 H	L	Cl'se
.75	.40	.	...	Abitibi	....	(.50 bid .55 asked)			
7	4	.	...	Do. pref. 6%	385	4½	4½	4	4
25	13	.	...	Do. pref. 7%	....	(13½ bid 14 asked)			
3	3	.	...	Acme Glove	....	(3 bid — asked)			
60	50	6.50	13	Do. pref.	....	(— bid 51 asked)			
13	11	80+20c	9	Agnew Surp.	25	11½	11½	11½	11½
110	106½	7	6.6	Do. pref.	....	(108 bid — asked)			
.90	.75	.	...	Alta. Pac. Gr.	....	(— bid .75 asked)			
28½	21½	.	...	Do. pref.	5	25½	26	26	26
9½	8	.	...	Algoma Steel	20	8½	8½	8½	8½
84	82	5	6.1	Do. pref.	....	(80 bid 84 asked)			
109	85½	8+2	11.6	Aluminium	25	86½	87	86	86
118	111½	6	5.4	Do. pref.	....	(110½ bid — asked)			
7½	6	50c		Amal. Electric	....	(6 bid — asked)			
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
43	40	2.75	6.5	Ang. Can. Tel. p	....	(42 bid — asked)			
19	16	80+40c	7	Asbestos	44	17	17	16	17½
18½	13½	1.75	12.3	Assoc. Brew.	40	14½	14½	14½	14½
112	109½	7	6.2	Do. pref.	....	(111 bid — asked)			
†1	1		...	Assoc. T. & T.A.	....	(— bid — asked)			
24	24	96c	...	Do. pref.	....	(— bid 22 asked)			
102½	102	5.50	5.4	Ault & Wiborg	....	(102 bid — asked)			

B

Range 1942 High	Low	Div Rate $	Sep5 Y'ld %	Company	Sales	Last Aug. 31	Week end. Sept. 7 H	L	Cl'se
150	125	6	4.8	Bk. Can. Nat.	3	125	125	125	125
189	128	6	4.6	Bk. Montreal	141	130	130	128	128
275	224	10	4.4	Bk. N. Scotia	4	224	224	224	224
255	212	10	4.7	Bk. Toronto	6	212½	212½	212	212½
8½	8½	47½c	..	Barber Ellis	....	(6 bid — asked)			
•5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.50	.	...	Barker's Bread	....	(.50 bid 1.00 asked)			
18	12			Do. pref.	....	(14½ bid 16 asked)			
14½	10⅞	1+25c	12	Bathurst Pr.	361	10½	11	10½	11
3.25	1.00			Do. (B)	....	(1.50 bid 2.00 asked)			
6	3½	80c	...	Beath & Sons	....	(5 bid 7 asked)			
8	6½	.	...	Beatty Bros.	....	(6½ bid 9 asked)			
110	102	6	5.4	Do. pref.	....	(109 bid — asked)			
100	76	7	7	Do. 2nd pref.	....	(101 bid 110 asked)			
9½	9½		...	Beauharnois	41	9½	9½	9½	9½
81	81	4+2	7.4	Belding Cort.	....	(80 bid 86 asked)			
124	115	7	6	Do. pref.	....	(116 bid — asked)			
150½	123	8	6.3	Bell Telephone	171	126	127	125½	126½
7	6½	30+10c	..	Bertram & Sons	....	(6½ bid — asked)			
7½	6	60c	10	Biltmore Hats	....	(6 bid 6½ asked)			
3	2½		..	Blue Ribbon	....	(2½ bid 3 asked)			
32½	25	2.50	10	Do. pref.	....	(25 bid 30 asked)			
10½	10½	60c	..	Blue Top Br. A.	....	(10 bid — asked)			
10½	8			Do. "B"	....	(9 bid 10 asked)			
3½	3	.	...	Brand. Hender.	....	(3 bid — asked)			
21	20½	1.30	6.2	Brant. Cord. pf.	....	(21½ bid — asked)			
11⅞	6	40c	...	Brazilian Tr.	974	10½	10½	10	10½
5½	3½	50+10c	..	Brew. & Distil.	105	4½	4½	4½	4½
†6½	6½			Bright, T. G.	....	(6½ bid — asked)			
†90	90	6	6.7	Do. pref.	....	(90 bid — asked)			
18	13	1	6.4	Brit. Amer. Oil	540	15½	15½	15½	15½
16	12	1.50	..	B. C. Packers	202	12	14½	14½	14½
22	17	2	9.3	B. C. Power A.	22	21	21½	20	20
1.25	.75		..	Do. (B)	5	1.00	.80	.80	.80
6	4½	30c	..	Bruck S. Mills	....	(4½ bid — asked)			
14	11½	70+10c	6.8	Building Prod.	30	11½	11½	11½	11½
8½	7½	60c	7.7	Burlington St'l	200	7½	7½	7½	7½

F, G

Range 1942 High	Low	Div Rate $	Sep5 Y'ld %	Company	Sales	Last Aug. 31	Week end. Sept. 7 H	L	Cl'se
22½	15	1.50+25c	11	Fanny Farm.	10	16½	16½	16½	16½
3½	2½	.	...	Fleet Aircraft	675	2½	2½	2½	2½
.20	.20	.	...	Fleury Bissell	....	(.20 bid .50 asked)			
10	10	.		Do. pref.	....	(10 bid 14 asked)			
18½	14½	1	5.4	Ford Motor A.	709	18½	18½	18	18
18½	14½	1	5.6	Do. (B)	20	18	17½	17½	17½
.15	.15			For. Pr. Secs.	....	(— bid .25 asked)			
16½	12	‡1.20+50c		Foundation Co.	10	14	14	14	14
13	7			Fraser Cos.	....	(8 bid — asked)			
13½	7½	.	...	Do. Vot. Tr.	687	8½	8½	8	8½
.50	.50			Freiman	....	(.50 bid — asked)			
55	55	1.50		Do. pref.	....	(55 bid — asked)			
6½	4½	60c	10	Gatineau Pwr.	29	6	6	5½	6
77½	61½	5	7	Do. pref.	10	72	71	71	71
80	70	5.50	6.9	Do. 5½% pref.	....	(75 bid — asked)			
†1.25	.25		...	Do. Rights	....	(— bid .19 asked)			
6½	5	30c	...	Gen. St. Wares	15	5	5½	5½	5½
92	84	7+53c	8	Do. pref.	....	(84½ bid — asked)			
60	31½	2.50+2.50		Goodyear Tire.	....	(45½ bid 53 asked)			
50	39	2.50	5.1	Do. pref.	67	50	50	49	50
†67	67	1	...	Gould Pumps	....	(— bid — asked)			
†4.00	2.50			Gt. Lakes Pap.	....	(.50 bid 1.00 asked)			
†16	16	‡75c		Do. pref.	....	(5 bid 20 asked)			
2.50	1.00			Do. Vot. tr. c.	45	1.25	1.50	1.50	1.50
16½	11	‡75c		Do. Vot. tr. p	100	12	12	12	12
4½	3½			Gt. W. Saddlery	....	(— bid 4 asked)			
28	24	3		Do. pref.	....	(21 bid — asked)			
11½	10	60c	6	Greening Wire.	234	11	10	10	10
‡1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
3½	2	.	...	Gurd, Chas.	150	3½	3½	3½	3½
70	70	.	...	Do. pref.	....	(— bid — asked)			
3½	2½	.	...	Gypsum, Lime.	80	3	3	2½	2½

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Sept. 9, 1942

%	Due	Bid	Ask.	Approx. Yld.
Dominion of Canada Bonds				
3	Oct. '42	99⅞	100⅛	...
2½	June '43	100⅞	101⅛	.82
5	Oct. '43	103½	104	1.41
2	June '44	100⅝	101⅛	1.27
1½	Sept. '44	99⅞	100⅞‡	1.38
2½	Jan. '44	100⅝	100⅞	b.75
4½	Oct. '44	105½	106½	1.50
2½	Nov. '44	101⅛	102⅛	1.48
a2½	Aug. '45	100⅛	‡100⅝	b1.80
4	Oct. '45	102⅞	102⅞	b1.42
3	Mar. '45	100⅛	101⅛	1.54
2	Dec. '46	98⅛	99⅞	2.03
4½	Feb. '46	106	108½	1.92
2½	Mar. '49	99⅛	99⅞	2.30
3½	June '49	102⅞	103⅛	b2.38
3½	Oct. '49	102⅞	102⅞	b2.11
3½	Nov. '51	101⅛	102⅛	b2.88
3½	Feb. '52	102⅛	102⅞	‡2.88
a5	May '52	101	102	b
4	Oct. '52	106⅛	106⅞	b2.74
a3	June '51	100⅛	100⅞	2.98
3	Oct. '52	99⅛	100⅛	2.98
3	June '55	99½	100	3.00
4½	Nov. '56	106⅛	107½	b2.71
a3	Mar. '54	99⅛	100⅛	3.05
4½	Nov. '57	107½	108	b2.85
3	June '58	99½	10	3.00
4½	Nov. '58	108	108½	b2.98
4½	Nov. '59	109	109½	b3.02
a4	Oct. '60	106½	‡107½	b2.95
a3½	Jan. '61	100⅛	101½‡	3.12
3½	June '68	101⅛	101⅛	b3.10
a3e	Jan. '67	97	98‡	3.12
a3e	Nov. '68	96½	97½‡	3.13
†3	Perpet'l.	94	95	3.16
Dominion Guarant'd Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	100⅛	100⅝	.99
2½	Jan. '46	100⅛	101⅛	1.80
3	May '44	102⅛	102⅞	1.45
3	Dec. '50	100	100⅝	2.85
3	Jan. '59	99½	99⅞	3.02
*4½	Sept. '51	118	119	2.19
*4½	Feb. '56	119½	120½	2.67
4½	July '57	119½	120⅞	2.80
3	Feb. '53	99½	10	3.00
4½	June '58	120½	121½	2.77
5	Feb. '54	117⅞	118⅛	3.05
*5e	July '69	118⅝	119½	...
*5e	Oct. '69	122½	123½	b2.08
*5e	Feb. '70	122½	123½	b2.20
Can. Nat. W. Ind. S. S.:				
*5	Mar. '55	122½	123½	2.78
Grand Trunk Pacific Rly.:				
3	Jan. '62	101½	103	2.80
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	94½	95½	3.45
3½	Aug. '49	96	98	3.57
3½	June '56	96	98	3.68
c4	Nov. '47	108	110	b.87
c4½	Apr. '61	108½	110½	3.72
c5	Jan. '60	110	112	4.03
Nova Scotia:				
3	Jan. '52	98	99½	3.06
3½	June '56	99½	100½	3.20
3½	Nov. '50	101½	102⅛	3.15
c4½	Sept. '52	113½	114½	b1.53
c4½	Nov. '60	114½	116½	3.28
c5	Mar. '60	119½	121½	3.37
Ontario:				
2½	May '45	100⅛	101⅛	2.03
3	Apr. '43	100⅛	101⅛	b2.64
3	Nov. '50	99½	100⅛	b2.90
3½	Nov. '51	100⅛	101½	b3.02
3½	May '55	100⅛	101⅛	b3.04
*4	June '62	114	116	2.93
4½	June '50	109½	110½	3.02
*4½	Jan. '62	119	121	3.06
5	Oct. '48	110	111	3.05
*5	Dec. '50	124½	126½	3.07
5½	July '46	109	110	2.83
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100½	101½	b3.02
3½	Apr. '47	102½	104	2.63
Prince Edward Island:				
4	Mar. '54	102	104	3.57
Quebec:				
3	Nov. '47	98½	99½	3.05
3½	Mar. '48	99½	100½	3.20
3½	Mar. '59	99	10	3.50
4	Nov. '52	102½	103½	b3.50
3½	Feb. '55	100½	101½	b3.37
4½	Aug. '58	106½	107½	3.63
4½	Jan. '63	110	113	3.60
Alberta:				
4½	Oct. '51	78	..	d
4½	Oct. '56	74½	77½	d
4	Dec. '54	73½	76½	d
*5	Oct. '59	76½	80½	d
c5½	Apr. '52	77	80	d
6	Mar. '47	77½	80½	d
British Columbia:				
4	Dec. '37	103	...	...
*4½	Jan. '51	110	111½	2.95
c4½	Oct. '53	110	111½	3.25
c5	Apr. '54	114	116	3.37
5½	Feb. '45	104	105	3.33
6	Feb. '47	110½	111½	3.33
Manitoba:				
c4	Dec. '37	10	102	[illegible]
c4½	Dec. '56	104	106	[illegible]
*5	Dec. '59	107	109	[illegible]
5½	Oct. '55	109	111	[illegible]
6	Apr. '47	106½	108	[illegible]
Saskatchewan:				
4	Sept. '54	81½	83½	[illegible]
4	Nov. '60	79½	81½	[illegible]
c4½	Oct. '51	90	92	[illegible]
c4½	Mar. '60	87½	89½	[illegible]
5	Aug. '58	89	92	[illegible]
5½	Oct. '52	93½	95½	6.11
6	Mar. '52	97	99	6.13

*–Payable Can., N.Y. and £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †–Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡–N.Y. funds. ‡–Calculated to 1950 average maturity. a–Callable on or after earliest maturity shown and payable at maturity at 101.

Oil Quotations

Par Val.	Range 1942 High	Low	Company	Sales	Close Aug. 31 (or last)	High for week	Low for week	Close Sept. 7
1	.07	.05	Alta. Pac. Cons.	......	(.... bid .06 asked)			
No	.55	.35	Anglo Canadian	......	(.36 bid .... asked)			
No	.03	.02½	Anaconda	......	(.02 bid .... asked)			
No	.25½	.19	Brit. Dominion	100	.25	.20	.20	.20
No	.04	.04	Brown Oil	......	(.... bid .... asked)			
No	1.17	.80	Calgary & Ed.	100	.85	.85	.85	.85
1	.17	.10	Calmont	200	.12	.11	.11	.11
No	.23	.14	Commoil	......	(.13 bid .16 asked)			
No	.28	.18	Commonwealth	......	(.20 bid .22 asked)			
No	.22	.14	Dalhousie	......	(.17 bid .... asked)			
No	.16½	.10½	Davies Pete	......	(.10 bid .11 asked)			
No	.02½	.02½	East Crest	......	(.01½ bid .... asked)			
No	*.36½	.21	Federated Petroleum	......	(.... bid .... asked)			
No	.85	.60	Foothills	......	(.65 bid .... asked)			
No	.20	.07	High Sarcee	864	.07	.07	.07	.07
No	2.67	2.00	Home Oil	250	2.23	2.22	2.22	2.22
No	.01½	.00½	Madison	......	(.01½ bid .... asked)			
No	.01½	.01	Marjon Oil	......	(.01 bid .00½ asked)			
No	.04½	.02½	McD. Segur Ex.	500	.03½	.03½	.03½	.03½
No	.05½	.03½	Mercury	......	(.04 bid .04½ asked)			
No	.07	.05½	Mill City Pete	......	(.... bid .... asked)			
1	.20	.12	Model	......	(.03 bid .18 asked)			
25c.	.04½	.03	National Pete	1,000	.04½	.03	.03	.03
1	.03	.02	Nordon	......	(.02 bid .... asked)			
No	.40	.20	Okalta	......	(.22 bid .25 asked)			
No	.04	.02½	Pacalta Oil	......	(.02½ bid .03½ asked)			
1	.25	.14	Pacific Petroleums	......	(.19 bid .25 asked)			
No	.05½	.02½	Royal Canadian	1,000	.03	.03	.03	.03
No	†.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	18.63	16.00	Royalite	4	16.50	16.25	16.25	16.25
No	.05	.03	South End	......	(.... bid .... asked)			
No	.20	.15	Southwest Pete	......	(.15 Mar. 9)			
1	.05	.03	Spooner	......	(.03 Aug. 25)			
25c.	.09½	.06	Sunset Oil	2,000	.08	.06	.06	.06
No	.04½	.02	United	1,500	.03½	.04	.04	.04
No	.05	.04	Vanalta	......	(.04½ bid .... asked)			
1	.20	.12	Vulcan	......	(.13 bid .... asked)			

* Quotations for 1940; † 1941.

Winnipeg Stocks

(Transactions from Aug. 31 to Sept. 5)

	Sales	High for period	Low for period	Close Sept. 5
Can. Amer. Trust	95	2.65	2.65	2.65
Canadian Fire	24	70.00	70.00	70.00
Forty Four	1,000	.10	.10	.10
United Grain Growers "A"	26	10.00	10.00	10.00
Western Breweries	60	2.25	2.25	2.25

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beav. Lumber, c	2½	5	Grouped Inc.	..	4½
Beav. Lumber, p	100	..	Home Invest.	27½	..
Can. Indemnity	150	..	Nor. C. Mtg. un.	5½	..
Cres. Cream, p	12	15	Nor. Mtg. pt. pd.	.75	..
Dom. Envel., c.	..	7½	Nor. Trusts	6	..
Dom. Envel., p.	..	90	Traders Bldg.	44	..
Fed. Grain, c.	..	1¼	West. Grain, p.	..	7
Do., pref.	..	38			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Sept. 8	4,000	3,700	59,000	......
Sept. 7	Holiday			
Sept. 5	2,600	900	39,000	6,700
Sept. 4	6,700	1,400	119,000	12,214
Sept. 3	4,800	6,500	89,000	13,550

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
‡Payable in Canada only.
‡Traded without accrued interest.
‡Payable in Can. or U. K.

Municipal Bonds

Sept. 8, 1942

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	105.50	108.30	4.34
Hamilton	5	1950	108.00	112.00	3.26
Montreal	5	1945	94.50	97.50	*
Ottawa	4½	1945	104.00	105.50	2.42
†Quebec	5	1959	109.50	110.50	4.14
Saint John	5	1950	105.50	108.50	3.79
†Toronto	4½	1955	110.50	113.50	3.18
†Vancouver	5	1950	96.75	100.75	4.58
Winnipeg	5	1944	100.00	103.00	2.94

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.82	1.98
Can. Int. Trust	3.50	4.25
Can. Invest. Fund	2.90	3.20
Can. Investors	4.25	5.00
Corp. Investors	4.78	5.15
Trans-Canada	8.25	9.10

Annual Meetings

1942 Company	Place
Sept. 14—Chromium Mining	Toronto
Sept. 23—Lake Shore Mines	Kirkland L.
Sept. 25—Power Corp.	Montreal
Sept. 24—Kerr Lake Mines	New York
Sept. 28—Paymaster Consol.	S. Porcupine
Sept. 30—McColl-Front. Oil*	Montreal

*For preference and common shareholders.

Mining Dividends

	Rate	Sept. 7	Yield %
Anglo-Huronian	20c	2.10	..
Argus Interests	†4c	.25	..
Aunor Gold	16c	1.00	16
Bayonne	†1c	.03½	..
Beattie Gold	10c	.55	..
Berens River	9c	.60	..
Bralorne	80c+40c	6.00	*20
Broulan Porc.	12c	.34	..
Buffalo Ankerite	▲30c	1.16	..
Bulolo Gold	$3	6.75	..
Can. Malartic	8c	.36	..
Cariboo Gold	15c	.85	..
Central Patricia	15c	.69¾	..
Chesterville	▲15c	.50	..
Cochenour Willans	6c	.55	10.9
Coniagas	10c	.75	..
Coniaurum	‡10c	.50	..
Cons. Smelters	$1+$1.50	33.25	7.5
Delnite	6c	.52	..
Dome Mines	$1.60	13.25	12.1
East Malartic	‡5c	.99	..
Francoeur Gold	▲4c	.17	..
Goldale Mines	2c	.08	..
Gold Belt	2c	.12	..
Grandview	2c	.10½	..
Grull Wihksne	†.00½c	.01½	..
Hallnor	40c	1.60	25
Hard Rock	3c	.30	..
Hedley Mascot	8c	.19	..
Hollinger	65c	7.30	8.9
Howey Gold	2c	.14	..
Hudson Bay	$2	22.00	9.1
Inter. Nickel, com.	$2	29.50	6.8
Island Mountain	8c	.85	..
Jason	▲4c	.10	..
Kerr-Addison	‡22c	3.55	..
Kerr Lake	▲5c	.50	..
Kirkland Lake	8c	.42	..
Lamaque Gold	‡30+25c	3.60	..
Lake Shore	80c	7.80	10.2
Leitch	8c	.49	16.3
Little Long Lac	‡10c	.65	..
Macassa	32c	1.75	18.2
Madsen R. Lake	3c	.33	..
Malartic Gold	▲10c	1.17	..
McGillivray Coal	1c	.10¼	..
McKenzie Red L.	12c	.52	23
Moneta	8c	.26	..
McIntyre-Porc.	$2.22+$1.11	39.00	*8.5
MacLeod-Cockshutt	10c	.95	..
Negus	2½c	.30	..
Nipissing	15c	.85	..
Noranda	$4	43.00	9.3
North Empire	‡10c	1.00	..
O'Brien Gold	3c	.49	..
Pamour Porc.	▲12c	.32	..
Pato Cons.	‡25c	2.10	..
Paymaster Cons.	2c	.14½	..
Pend Oreille	▲6c	.87	..
Perron Gold	16c	.69	23
Pioneer, B. C.	‡33c	1.14	..
Pickle Crow	30c	1.43	21
Placer Develop.	25c	5.00	..
Premier	7½c	.41	18.3
Preston E. Dome	20c	1.42	14
Privateer Mines	12c+1c	.27	..
Quebec Gold	▲2c	.20	..
Reno Gold	20c	.06	..
San Antonio	14c+6c	1.33	*15
Sheep Creek	16c+4c	.80	*25.0
Sherritt Gordon	10c	.57	..
Sigma Mines	60c	4.50	..
Silbak Premier	16c	.60	..
Siscoe	‡5c	.32	..
Sturgeon River	2c	.10	..
Sudbury Basin	2½c	1.25	..
Sullivan Cons.	‡6c	.55	..
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.25	16
Teck-Hughes	40c	1.55	26
Toburn	12c+2c	.60	*23.3
Upper Canada	‡5½	.65	..
Ventures	20c	3.50	..
Waite Amulet	40c	3.75	..
Wendigo	3c	.14	..
Wright Harg.	40c	2.00	20

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	$1.75	Oct. 1	Sept. 15
Asbestos Corp.	20c	Sept. 30	Sept. 1
Do., extra	10c	Sept. 30	Sept. 1
Assoc. Brew.	25c	Sept. 30	Sept. 10
Do., pref.	$1.75	Oct. 1	Sept. 10
Amer. Cyan. A, B	15c	Oct. 1	Sept. 12
Do., pref.	†12½c	Oct. 1	Sept. 12
Building Prod.	17½c	Oct. 1	Sept. 15
B.C. Power A	50c	Oct. 15	Sept. 30
Bell Telephone	$2	Oct. 15	Sept. 23
Bright, T. G. pfd.	$1.50	Sept. 15	Aug. 31
Belding Cort.	$1	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Berens River	3c	Sept. 25	Aug. 29
Barber Ellis	12½c	Sept. 15	Aug. 31
Bruck Silk	10c	Sept. 15	Aug. 29
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Bralorne Mines	20+10c	Oct. 15	Sept. 30
Brazilian Tr., pfd.	$1.50	Oct. 1	Sept. 15
Brit. Amer. Oil	25c	Oct. 1	Sept. 10
Burlington Steel	15c	Oct. 1	Sept. 19
Calgary & Edm.	▪5c	Oct. 15	Sept. 12
Canadian Car pfd.	43c	Oct. 10	Sept. 21
Can. Malartic G.	2c	Oct. 6	Sept. 15
Cariboo Gold	▪3c	Oct. 1	Sept. 4
Crown Trust	$1	Sept. 30	Sept. 23
Can. Malting	50c	Sept. 15	Aug. 31
Can. Canners	12½c	Oct. 1	Sept. 15
Do., 1st pref.	25+5c	Oct. 1	Sept. 15
Do., 2nd pref.	15+5c	Oct. 1	Sept. 15
Can. Gen. Elec.	$2	Oct. 1	Sept. 15
Can. Tube & Stl. p.	$1.75	Oct. 15	Oct. 8
Can. Fdy. & Forg.	37½c	Sept. 15	Sept. 1
Can. Cottons	$1	Oct. 1	Sept. 5
Do., pref.	$1.50	Oct. 1	Sept. 5
Can. Wire & C. A	$1	Sept. 15	Aug. 31
Do., B	50c	Sept. 15	Aug. 31
Do., pref.	$1.62½	Sept. 15	Aug. 31
Can. Packers	$1	Oct. 1	Sept. 15
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Central Can. Loan	$2	Oct. 1	Sept. 19
Cent. Pat. Mines	3c	Sept. 30	Sept. 15
Confederation Life	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. For. Invest., pf.	▪$2	Oct. 1	Aug. 15
Can. Wire Box	37½c	Oct. 1	Sept. 15
Do., arrears	12½c	Oct. 1	Sept. 15
Can. Crushed Stone	10c	Sept. 15	Sept. 1
Can. Nor. Power	▪15c	Oct. 26	Sept. 19
Do., pref.	▪$1.75	Oct. 15	Sept. 19
Can. Celanese	25+25c	Sept. 30	Sept. 18
Do., pref.	$1.75	Sept. 30	Sept. 18
Can. Breweries, p.	85c	Oct. 1	Sept. 15
Canada Dry	†15c	Sept. 22	Sept. 10
Candn. Oil, p.	$2	Oct. 1	Sept. 19
Can. Indus. A, B	$1.50	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Cement, pfd.	$1.25	Sept. 21	Aug. 31
Canada Cycle	30c	Sept. 30	Sept. 15
Do., pref.	$1.25	Sept. 30	Sept. 15
Can. Westinghouse	▪50c	Oct. 1	Sept. 16
Celanese of Amer.	†50c	Sept. 30	Sept. 18
Do., 5% pref.	†$1.25	Oct. 1	Sept. 18
Do., pr. pref.	†$1.75	Oct. 1	Sept. 18
Do., 2nd pref.	†$1.75	Oct. 1	Sept. 18
Dom. Glass	▪$1.25	Oct. 1	Sept. 15
Do., pref.	▪$1.75	Oct. 1	Sept. 15
David & Frere, A	25c	Sept. 30	Sept. 15
Dom. Textile	$1.25	Oct. 1	Sept. 5
Do., pref.	$1.75	Oct. 15	Sept. 15
de Havilland, pfd.	$1.75	Sept. 15	Aug. 31
Do., arrears	$1.75	Sept. 15	Aug. 31
Dominion Tar, pf.	$1.37½	Nov. 2	Oct. 13
Dome Mines	▪40c	Oct. 20	Sept. 30
Distillers Seag.	55½c	Sept. 15	Aug. 28
Do., pref.	†$1.25	Nov. 2	Oct. 15
Eng. Electric A.	62c	Sept. 15	Aug. 31
Economic Invest.	62½c	Oct. 1	Sept. 21
Fanny Farmer	†37½c	Oct. 1	Sept. 15
Foundation Co.	35c	Oct. 17	Sept. 30
Ford Motor A, B	25c	Sept. 19	Aug. 29
Gt. Lakes Pap. A B p.	25c	Oct. 1	Sep. 19
Gt. W. Sadd., 1st p.	75c	Sept. 30	Sept. 16
Gatineau Pwr.	15c	Sep. 30	Sep. 1
Do., 5% pref.	$1.25	Oct. 1	Sep. 1
Do., 5½% pref.	$1.37	Oct. 1	Sep. 1
Greening Wire	15c	Oct. 1	Sept. 15
Goodyear Tire	62c	Oct. 1	Sept. 15
Do., pref.	62½c	Oct. 1	Sept. 15
Gt.-West Life	$3.75	Oct. 1	Sept. 19
Huron & E. Mtge.	1%	Oct. 1	Spet. 15
Ham. Cotton	10c	Oct. 1	Sept. 15
Do., pref.	50c	Oct. 1	Sept. 15
Hinde & Dauch	25c	Oct. 1	Sep. 15
Honey Dew	50c	Oct. 1	Sept. 15
Ham. Un. Theat., p.	$1.25	Sep. 30	Sep. 15
Humberstone Shoe	50c	Oct. 7	Sept. 15
Inter. Nickel, c.	†50c	Sept. 30	Aug. 31
Imp. Tobacco	10c	Sept. 30	Sept. 11
Do., pref.	3%	Sept. 30	Sept. 11
Inter. Power, pfd.	$1.75	Oct. 1	Sept. 15
Do., arrears	$2	Oct. 1	Sept. 15
Lava Cap Gold	†2c	Sept. 30	Sept. 10
Langley's, pfd.	▪50c	Dec. 11	Dec. 2
Lake Shore M.	20c	Sept. 15	Sept. 1
Lamaque Gold	10c	Oct. 1	Sept. 10
Do., bonus	15c	Oct. 1	Sept. 10
Landed Banking	$1	Oct. 1	Sept. 15
Lang, J. A.	17½c	Oct. 1	Sept. 15
Louisiana Land, c.	†10c	Sept. 15	Sept. 1
Mod. Containers	30c	Oct. 1	Sept. 20
Do., pref.	$1.37½	Oct. 1	Sept. 20
MacKinnon Stl., p.	$1.25	Sep. 15	Aug. 31
Macassa Mines	8c	Sept. 15	Aug. 31
Massey-Harris, p.	62½c	Sept. 16	Sept. 1
McKenzie Red L.	3c	Sept. 15	Aug. 31
Montreal Loan	31¼c	Sept. 15	Aug. 31
Montreal Cottons	$1	Sep. 15	Aug. 31
Do., pref.	$1.75	Sep. 15	Aug. 31
M. Loew's pfd.	$1.75	Sept. 30	Sept. 15
Mtl. C. & D. Bank	$3	Oct. 1	Sept. 15
Moore Corp.	55½c	Oct. 1	Sept. 10
Do., pref. A, B	$1.75	Oct. 1	Sept. 10
McColl Fron. p.	$1.50	Oct. 15	Sept. 30
National Trust	$2	Oct. 1	Sept. 21
Nat. Grocers, pref.	37c	Oct. 1	Sept. 15
Noranda Mines	$1	Sept. 15	Aug. 20
North Star Oil, p.	8¾c	Oct. 1	Sep. 1
Nat. Biscuit c.	†30c	Oct. 15	Sept. 11
Nat. Breweries	50c	Oct. 1	Sept. 10
Do., pre.	44c	Oct. 1	Sept. 10
Nat. Steel Car	50c	Oct. 15	Sept. 30
N.S.L. & Pr ord.	$1.50	Oct. 1	Sept. 15
Ont. Loan & Deb.	$1.25	Oct. 1	Sept. 15
Ottawa Elec Rly.	50c	Oct. 1	Sept. 10
Ottawa L. & Pr.	15c	Oct. 1	Aug. 28
Do., pref.	$1.25	Oct. 1	Aug. 28

Weather Damage Increases Toll

Continued Dampness Promises to Create Major Grain Problems

From Our Own Correspondent

WINNIPEG.—A whole series of new problems has been presenting itself in western Canada, the combined result of large crops, wet weather, delayed harvest and congested elevators.

In Manitoba the greater part of the grain has been cut and is being left unthreshed until sufficient dry weather is experienced to put it into condition for threshing. In Saskatchewan and Alberta the greater part of the grain is still standing uncut with a good deal of it needing warm and dry weather to mature it sufficiently for cutting.

A good deal of the standing grain has been caught by frost of varying degrees of severity inflicting various degrees of damage. On many farms the total yield in bushels will not be greatly affected, the principal prospective damage being mainly in the lowering of grade of grain by one to several grades. In other areas, however, and this applies particularly to oats, there has been a good deal of grain sufficiently matured so that the yield in bushels will be definitely impaired. Some fields will probably not be threshed but can usefully be cut only for green feed. It is difficult to assess frost damage when it occurs or to judge the extent to which recovery is possible.

Lowered Grade

From east of Winnipeg to the foothills of the Rocky Mountains the prairies have been thoroughly soaked and over millions of acres water has been standing in the fields. Grain can be threshed while the sheaves are still damp but only with the certainty of leaving too much moisture in the kernels with the inevitable result that it will be graded tough or damp.

In ordinary years tough and damp grain can be handled through country and terminal elevators. The moisture content of the tough grain can frequently be reduced to normal in the handling process; that of damp grain needs to be treated in steam heated dryers in terminal elevators. But unless it is dried by one process or the other, tough and damp grain cannot be safely stored and the risk from damage and spoilage is great. This year terminal elevators are congested with old crop and rail shipments from country elevators have to be limited and rationed.

Under such circumstances it is not considered safe to take grain containing excess moisture into country elevators and the elevator companies have had to prohibit the acceptance of such grain.

It is even more difficult and dangerous to store tough and damp grain on the farm. In consequence farmers have found it necessary to suspend threshing operations, in many cases much to their annoyance, when they would have preferred to carry on even at the risk of excess moisture content and lower price rather than take chances of experiencing a spell of dry weather which would again put grain into condition for handling.

Adds to Labor Difficulty

Wet weather has added greatly to the labor problem of western farmers. They have chafed under enforced idleness of many days, idleness which means millions of labor hours lost, which will be difficult to make up. The number of labor hours required is also largely increased.

Grain can be cut with a binder and then allowed to stand in the stook for a long time exposed to the weather without danger of very great damage but grain which is to be combined and threshed without either being tied into sheaves or stooked can only be cut and threshed when conditions are just right. Much grain which farmers had counted on to combine will have to be handled by the slower and more laborious process of binding and stooking.

The total elevator space available for the western crop is only a fraction of that which farmers would like to fill when they are able to proceed with threshing. It is not far short of 200 million bushels but this space must remain largely empty for weeks at the beginning of the crop year until dry grain can be delivered to fill it. Moreover, the effective capacity of empty space will be reduced by the production of a large number of different grades of grain as different elevator bins are allotted to different grades.

Alongside most country elevators in western Canada there stand temporary annex buildings in many of which there is empty space at present. Much of this space may have to remain idle pending the receipt of suitable grain for storing in such position.

The total quantity of wheat produced in the West this year will be greatly in excess of the quantity which can be delivered under quota restrictions imposed by the Dominion Government. If a farmer is going to have any high grade wheat he will naturally desire to use his delivery quota for his best wheat in order to get the largest amount of money for it.

That will apply in most cases and especially when the farmer expects to use low grade wheat for feeding. But some wheat farmers, who will have to put a large part of their crop in farm storage for a year or more might feel safer in storing a high-grade wheat themselves and getting rid of the lower grade.

There were approximately 400 million bushels of Canadian wheat in elevator storage at the close of the past crop year and by far the greater part of this was high grade, well suited for long-term storage. That is the wheat which because of its position will be primarily used for export shipment and domestic milling during the current crop year. It may be that as supplies of eastern and lakehead terminals are shipped out during the crop year the space released will have to be taken up with lower grade wheat, a much less satisfactory commodity to have in storage as well as much less satisfactory to ship abroad.

Even with all the damage that has been done or which may be in prospect it is quite possible that the total production of high grade wheat would be more than sufficient to fill the elevator space made available but deliveries cannot be restricted to high-grade wheat. If a farmer is to be allowed a delivery quota of 14 bushels per basic acre for the crop year and has not anything to deliver except No. 4, 5 or 6 wheat, his quota will have to be left to him and not transferred to increase the deliveries from some farmer who may be fortunate enough to have all high-grade wheat.

CHIEF CLERK

E. D. Campbell, well-known western railway man, who has been appointed chief clerk of the freight claim department of the C. P. R. in Toronto. Mr. Campbell, who has been on the staff of the C. P. R. since 1911, was formerly investigator of the freight claims at Winnipeg.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.90	$10.02	$8.85
Hogs	16.00	16.00	14.65
Copper, lb.	*.12	.12	.12
Cotton, lb.	.1960	.1973	.1801
Sugar, raw, lb.	*.0374	.0374	.0360
Wheat, Man. (bu.)	.89⅝	.89⅝	.74⅝
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	98.9	98.9	90.6
Wood, Gundy	77.8	77.7	74.5
Dow Jones (fut.)	84.73	84.77	81.97
Fishers	107.2	107.4	97.9
Monthly Indices			
Canada (D.B.S.):			
Retail (Aug.)	117.9	117.7	113.7
W'sale (July)	96.1	95.8	91.3
U. S. (June)	98.6	98.8	87.1
Gt. Brit. (June)	159.8	160.7	152.4

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Paton Mfg.	$1	Sep. 15	Aug. 31
Do., pref.	$1.75	Sep. 15	Aug. 31
Perron Gold	4c	Sept. 21	Aug. 29
Para Pictures pf.	†$1.50	Oct. 1	Sept. 17
Do., com.	†25c	Oct. 1	Sept. 15
Paymaster Cons.	▪1c	Jan. 15 '43	Dec. 31
Preston E. Dome	5c	Oct. 15	Sept. 24
Price Bros., pref.	$1.37½	Oct. 1	Sept. 19
Page Hersey	$1.25	Oct. 1	Sep. 15
Pioneer Gold	5c	Oct. 1	Aug. 31
Power Corp. pfd.	▪$1.50	Oct. 15	Sept. 19
Do., 2nd pref.	▪75c	Oct. 15	Sept. 19
Porto Rico Pwr. p.	$1.75	Oct. 1	Sept. 15
Premier Gold	1½c	Oct. 15	Sept. 15
R. Silk Mills A	50c	Oct. 1	Sept. 15
Remington Rand, c.	†20c	Oct. 1	Sept. 10
Do., pfd.	†$1.12½	Oct. 1	Sept. 10
Regent Knit., c.	25c	Sept. 15	Aug. 31
Reliance Gr. pf.	$1.62½	Sept. 15	Aug. 31
Russell Indust.	20c	Sep. 30	Sep. 15
Do., pref.	$1.75	Sep. 30	Sep. 15
Sachigo R. Ex.	‡$5.46	Sept. 28	Sept. 21
Sher.-Williams	15c	Nov. 2	Oct. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Silverwood's	20c	Oct. 1	Sept. 19
Do., pref.	20c	Oct. 1	Sept. 19
Stand. Fuel, p.	$1	Oct. 1	Sep. 15
Sheep Creek	4+1c	Oct. 15	Sept. 30
Stedman Bros.	15+30c	Oct. 1	Sept. 19
Do., pref.	75c	Oct. 1	Sept. 19
Siscoe Gold	1½c	Sept. 15	Aug. 12
Sylvanite Gold	5c	Sept. 30	Aug. 14
Sunset Oils	1½c	Sept. 15	Sept. 1
So. Amer. Gold	†10c	Sep. 14	Aug. 29
Howard Smith, p.	$1.50	Oct. 15	Sept. 30
Sun Life	$3.25	Oct. 1	Sept. 15
So. Can. Power pf.	$1.50	Oct. 15	Sept. 19
Simon & Sons	15c	Sept. 30	Sept. 16
Do., pref.	$1.75	Sept. 30	Sept. 16
Tamblyn G.	20c	Oct. 1	Sept. 15
Do., pref.	62½c	Oct. 1	Sept. 15
Teck Hughes	10c	Oct. 1	Sept. 10
Tor. Gen. Trusts	$1	Oct. 1	Sept. 12
Tip Top Tailors	7½c	Oct. 1	Sept. 19
Do., pref.	$1.75	Oct. 1	Sept. 19
Toronto Mortgage	$1.25	Oct. 1	Sept. 15
United Fuel, pf. A	75c	Oct. 1	Sept. 10
Un. Grain Growers, A	$1	Sept. 15	July 31
Do., B	25c	Sept. 15	July 31
Ventures	▪5c	Sept. 25	Aug. 17
Viau, pref.	$1.25	Oct. 1	Sept. 19
H. Walker-G. & W., c.	$1	Sep. 15	Aug. 21
Do., pfd.	25c	Sep. 15	Aug. 21
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 20
Weston, George, c.	20c	Oct. 1	Sep. 12
Wright-Hargreaves	10c	Oct. 1	Aug. 26
Wilsil	25c	Oct. 1	Sept. 15
Do.	25c	Jan. 2	Dec. 15
Willson Stat. pf.	$1.25	Oct. 15	Sept. 30

†Payable in U. S. funds.
‡90c profit distribution, and approx. $4.56 capital distribution.
▪Subject to approval of Foreign Exchange Control Board.

Salmon Run Starts Well

Opening of Closed Fish Grounds Brings Good Income to Fishermen

From Our Own Correspondent

VANCOUVER.—The salmon season off the coast of British Columbia is nearing its peak, and seining and gill netting craft have been active during the past week in the Gulf of Georgia and off the mouth of the Fraser River, seeking a share of the biggest run of sockeye in several years. A vast fleet of 2,300 gill net boats is on the salmon ground.

Seiner catches have so far been disappointing, but there have been a few notable exceptions. With each sockeye valued at $1, several boats have struck a bonanza with more than 4,000 fish for a day's operations, and one B. C. Packers, Ltd., vessel took in 5,500 fish one day, meaning that $5,500 was divided among the crew of six.

Top Earnings

In other words, considering the time spent, the biggest incomes in British Columbia today are being made by the salmon fishermen. However, they will have to spread their revenue over many months of comparative inactivity and meagre catches.

As previously forecast, some of the fishing areas off the Fraser River have been opened this season for the first time in several years. The relaxation was ordered to compensate the fishermen for the loss of some 100 of the larger vessels taken over by the Canadian Navy from the packing companies and from Japanese. All Japanese, of course, have been eliminated from the British Columbia fisheries; they were the first industrial group to be evacuated.

Lengthen Season

Another factor in opening the new areas has been the desire to spread operations over as long a season as possible so as to prevent congestion in the canneries, where labor is short just as in all other British Columbia primary industries this year.

The International Sockeye Salmon Commission has put into operation its temporary fish conveyor on the Fraser River at Hells Gate to prevent a repetition of the canyon blockade which resulted in the loss of several thousand fish from the spawning grounds last year. A permanent arrangement in the nature of a fish ladder such as the Columbia River has had for some years is planned for 1943.

Sachigo River To Distribute

Final Payment of $5.46 a Share to be Made on Sept. 28

A final distribution of remaining assets of Sachigo River Exploration Co. will be made on Sept. 28, 1942, to shareholders of record Sept. 21.

A last capital distribution of $4.56 a share is to be made together with a profit distribution of 90 cents a share. Under the Income War Tax Act, 5% of the 90-cent profit will be deducted in the case of residents of Canada, while 15% will be deducted for residents of the United States and the United Kingdom. There will be no deduction from the capital portion of the distribution.

Residents of the United States will receive their distribution in the form of bonds of the Dominion of Canada up to the nearest $100, with the residue payable in cash. Regulations of the Foreign Exchange Control Board necessitate the payment to U. S. residents in Dominion bonds.

Crop Conditions Add Problems For Western Farm Creditors

From Our Own Correspondent

WINNIPEG.—In spite of the obvious fact that a great deal of western wheat produced this year will be undeliverable during the crop year because of quota restrictions, it is doubtful if either farmers or farmers' creditors have fully realized the situation or the fact that surplus production, however valuable in the long run, will not be a source of income during the current crop year.

The extra production, where it cannot be made use of for feeding, actually puts a drain on the farmers' cash resources for the current year because of extra cost of threshing and of farm storage where it has to be built. The maximum revenue from the wheat crop even where high grades are secured cannot much exceed $10 per acre, revenue which may cover current costs but will not leave much debt paying capacity. Old debts paid, as undoubtedly they will be paid to the total of many millions, will chiefly be serviced from the proceeds of sources other than wheat, principally oats, barley and livestock.

Creditors Find Storage?

Mortgage companies, landlords and vendors of land, entitled, according to usual procedure, to one third of the crops under mortgages, leases and agreements, are having to calculate their procedure with respect to surplus wheat. Such persons, entitled by law or by contract to a definite portion of a crop, are recognized as producers and are entitled to deliver wheat to the Canadian Wheat Board.

The Board protects their right to a percentage of quota deliveries made by any farmer although the proceeds of the first five bushels per acre are reserved for the actual farmer. But the actual farmer will in most cases have a great deal of wheat, which, under quota regulations, will not be delivered to elevators this year.

The farmer in most cases will be under no obligation to store a third of the surplus for the mortgagee, lessor or vendor. Such interests, in order to protect the wheat to which they are entitled, will find it necessary to provide farm storage space. In most cases contracts are so drawn that while the farmers' obligation is to turn over a certain quantity of grain, he is credited with the cash value of such grain at the time of delivery or at the time of the sale.

If the surplus wheat has no immediate cash value the actual adjustment of accounts in most cases can hardly take place until next year or such time in the future as the wheat in question actually becomes saleable. In some cases creditor interests are finding it necessary to forego any return this year from wheat crops. Some farmers exclusively engaged in growing wheat have pointed out to their creditors that the expenses of harvesting and threshing heavy crops are large and that it will take the cash proceeds of all wheat deliverable this year, probably not more than 14 bushels to the acre, to cover such costs.

Price Spreads Widen

Another set of problems is related to the comparative prices of different grades of wheat. The price spreads between different grades tend to vary from year to year and also during a crop season. The Wheat Board finds it necessary to set its spreads at the beginning of the season and these may or may not correspond with those which actually prevail on the market during the crop year. Last year the market spreads were much narrower than the Wheat Board spreads with the result that the market absorbed most of the wheat of grades lower than No. 1 Northern.

This year the Wheat Board set its spreads with the discount on No. 2 Northern of three cents a bushel the same as last year. On No. 3 Northern the spread was changed from six cents to five and a half cents and on 4 Northern and lower grades spreads were increased by one cent a bushel. Last year discounts on tough wheat were uniformly three cents a bushel. That discount has been maintained this year for No. 1 Northern and No. 1 Hard, for durum wheat and for Alberta Red Winter wheat, but for Nos. 2, 3 and 4 Northern it has been widened to four cents a bushel. This action reflects the prevailing expectation that price spreads on lower grades are likely to be wider this year than last in view of the probable production of a large percentage of such grades.

In spite of the seeming paradox, damage to grain will increase the need of western farmers for an outlet in the United States for surplus wheat and barley. The explanation lies in the fact that many farmers will desire to dispose of low-grade wheat by feeding it, a practice which will increase the quantities of oats and barley they will have for sale.

Wheat Prices

Winnipeg Grain Futures

Week to Sept. 7, 1942

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Sept. 7
		Wheat			
.90	.90	Oct.	.90	.90	.90
		Oats			
.49⅛	.45⅝	Oct.	.49⅛	.47⅛	.47⅜
.46⅞	.45	Dec.	.46⅞	.45	.46
		Barley			
.61¼	.60¼	Oct.	.61⅛	.60⅝	.60¾
.61⅛	.60¼	Dec.	.61⅛	.60⅝	.60⅞
		Rye			
.56	.52¾	Oct.	.54⅝	.53⅜	.53⅞
.56⅜	.53⅝	Dec.	.55¼	.54⅝	.54¾

Cash Quotations

	For Week Sept. 7 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	*.89⅝	.89⅝	.89⅝	.89⅛
2 Nor.	.86⅝	.86¼	.86¼	.86
3 Nor.	.83⅝	.83⅛	.83⅛	.88½
4 Nor.	.81¾	.81¾	.81¾	.81¾
5 Wheat	.79	.79	.79	.79
6 Wheat	.76	.76	.76	.76
Feed	.73	.73	.73	.73
Oats:				
2 C. W.	.49	.47⅜	.47⅜	.45⅞
3 C. W.	.47⅜	.46⅛	.46⅜	.44⅞
Barley:				
1 Feed	.56⅝	.56⅜	.56⅝	.56
2 Feed	.55⅝	.55⅛	.55⅝	.54¾
Rye:				
2 C. W.	.53⅝	.53⅛	.53⅛	.51⅞

Oil Royalties

Producing Wells — Prices and Payments

	Sept. daily allow. bbls.	Aug. daily allow. bbls.	May pay. 1% $	June pay. 1% $	July pay. 1% $	Paid to July 31 1% $	Dealers offering price* $
Ace No. 1 gross	525	543	241.82	241.87	230.24	3,151.23	8,200
Alta. Oil Inc. No. 1 gr.	82	80	52.40	46.40	36.40	3,432.00	1,500
Do., No. 1 net	82	80	42.00	39.60	30.40	3,946.80	1,000
Do., No. 2 gr.	485	522	252.80	234.80	229.60	5,398.20	9,000
Do., No. 2 net	485	522	231.60	213.60	166.40	5,357.00	6,300
Allied No. 1 pfd.	95	100	42.80	45.84	42.61	618.14	1,900
Arrow No. 1 net	116	150	78.00	70.00	......	†1,285.60	1,900
Do., No. 2 net	186	190	94.00	88.00	......	†1,218.20	2,400
Atlas No. 1 net pfd.	105	110	35.60	62.40	......	†106.80	1,900
Atlas-Br. D. No. 2 pfd.	654	676	466.80	418.00	......	†882.80	9,200
D. & D. net pfd.	75	75	36.40	32.40	27.60	1,721.00	1,200
East Crest No. 5	130	135	......	60.20	59.20	128.40	2,100
Independent No. 1 p.	220	225	148.99	133.92	114.60	1,717.39	3,700
Do., No. 1 gr.	220	225	107.09	97.75	103.42	1,774.32	....
Major Oil No. 1 pfd.	108	121	77.60	61.60	62.00	504.00	1,700
Do., No. 1 gr.	108	121	72.40	60.80	59.20	1,374.60	2,000
Do., No. 2 pfd.	578	604	430.40	376.40	284.80	3,732.60	6,600
Do., No. 2 gr.	578	604	331.20	286.40	273.20	4,823.20	....
Do., No. 2 dfd.	578	604	......	......	......	......	6,500
Do., No. 3 net	825	835	534.00	476.80	280.40	4,952.80	9,000
Do., No. 3 gr.	825	835	386.00	373.20	376.00	4,503.60	....
Do., No. 4 pfd.	299	268	325.20	292.40	149.20	1,662.00	4,400
Do., No. 4 gr.	299	268	248.00	218.80	134.80	1,977.60	6,300
Do., No. 7 pfd.	650	649	......	......	......	......	7,800
Do., No. 7 gr.	650	649	......	......	161.60	161.60	8,900
Do., No. 8 pfd.	293	...	......	......	......	......	4,300
Do., No. 8 gr.	293	...	......	......	......	......	6,300
Do., No. 9 gr.	427	488	......	45.20	250.00	295.20	7,300
Do., No. 9 pfd.	427	488	......	......	......	......	5,100
Miracle No. 1 pfd. net	415	409	414.82	155.36	152.09	4,199.50	4,800
Do., No. 1 gr.	415	409	296.21	272.68	203.20	4,003.28	7,500
Do., No. 2 pfd.	304	272	239.30	286.91	146.81	725.71	4,300
Do., No. 2 gr.	304	272	......	196.94	131.60	328.54	5,400
Renown No. 1 pfd.	85	100	......	46.56	38.00	84.56	1,700
Winalta No. 1 pfd.	81	93	72.00	41.20	35.60	3,335.90	1,000

*Approximately 20% over dealers' bid prices.
†Total to June 30, 1942.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%		Drilling depth ft.	Offering price per 1%
Atlas-Br. D. No. 3 pfd.	6,067	*$4,375	Northend No. 1, dfd.	8,321	2,000
Bonaventure, pfd.	6,365	3,200	Northend No. 1, gr.	8,321	3,600
Major Oil No. 6, pfd.	6,761	6,100	Northend No. 2, pfd.	6,450	4,200
Major Oil No. 6, gr.	6,761	7,200	Northend No. 2, gr.	6,450	5,300
Miracle No. 3, pfd.	5,872	4,800	Northend No. 3, pfd.	8,912	3,000
Miracle No. 3, gr.	5,872	6,400	Northend No. 3, gr.	8,912	6,300
Northclonmel No. 1, pfd.	6,020	4,500	New Ranchmen's pfd.	1,280	*3,200
Northclonmel No. 1, dfd.	6,020	2,300	Empire pfd. (Ont.)†	....	*1,100
Northclonmel No. 1, gr.	6,020	6,000	Hi. Test pfd.†	....	*3,600
Northend No. 1, pfd.	8,321	4,500	Kinsella Ltd.†	....	*2,100

*Pegged price. †Acreage royalty.

To Salvage Casing From Old "Wildcats"

Keen demand for well casing seems likely to result in pulling and plugging numerous Alberta wildcat test wells standing idle for many years but never formally abandoned.

According to J. W. Hamilton, superintendent of mining lands for Alberta, tenders have been called for "proper abandonment" of a number of such wells, the contractor to be reimbursed by a definite percentage of salvaged casing. The list of wells includes Raven Oils No. 1 on the Watson structure, Devenish Oils 3 and 5 in the old Skiff field, Beaver Oils No. 1, Madison Oils No. 1, Mayland-Southern No. 1 and Twin Butte-Northwest No. 1. Most of the wells are in the border areas of southern Alberta.

DIVIDEND NOTICES

The Sherwin - Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the one hundred and twenty-fifth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending August 31, 1942, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of September, 1942, and that cheques will be mailed October 1, 1942.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Quebec,
September 3, 1942.

The Murphy Paint Company Limited

Notice is hereby given that the following quarterly dividends have been declared by the Board of Directors payable on October 1st, 1942, to shareholders of record at the close of business on September 19th, 1942.

Preferred Stock—1⅜% (being at the rate of 5½% per annum).

Common Stock—Twenty cents (0.20) per share on the No Par Value shares.

The Murphy Paint Company Limited
P. L. TOD,
Secretary.

Montreal, August 27th, 1942.

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DIVIDEND NOTICES

McCOLL-FRONTENAC OIL COMPANY LIMITED

PREFERRED STOCK DIVIDEND
NO. 59

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share being at the rate of 6 per cent. per annum has been declared on the 6% Cumulative Preferred Stock of McColl-Frontenac Oil Company Limited for the quarter ending September 30th, 1942, payable October 15th, 1942, to shareholders of record at close of business September 30th, 1942.

By Order of the Board.

FRED HUNT,
Secretary.

August 26th, 1942.

Canadian Malartic Gold Mines Limited

25 King Street West, Toronto.
DIVIDEND NO. 18

NOTICE IS HEREBY GIVEN that a dividend of 2 cents per share has been declared by the Directors of Canadian Malartic Gold Mines Limited, payable in Canadian funds on October 6th, 1942, to shareholders of record September 15th, 1942.

By Order of the Board.

H. WHITTINGHAM,
Secretary-Treasurer.

September 2nd, 1942.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st October, 1942

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

3rd September, 1942.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters percent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of September, 1942.

Notice is also hereby given that a dividend of one and one-quarter percent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of September, 1942.

Subject to the approval of the Foreign Exchange Control Board the above Dividends will be paid on Thursday, the 1st day of October, 1942, to Shareholders of record at the close of business Tuesday, the 15th day of September, 1942.

By Order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 1st September, 1942.

Canadian Car & Foundry Company Limited

DIVIDEND NOTICE—
PREFERENCE STOCK

Notice is hereby given that a dividend of forty-three cents (43c) per share on the paid up Preference Stock of the Company for the quarter ending September 30th, 1942, has been declared, payable on the 10th day of October, 1942, to Shareholders of record on the 21st day of September, 1942.

By Order of the Board,

A. C. BOURNE,
Secretary.

Montreal, September 3rd, 1942.

The Ontario Loan & Debenture Company

221st DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 30th September, 1942, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 1st October, 1942, to Shareholders of record at the close of business on the 15th September, 1942.

By Order of the Board.

T. H. MAIN,
Manager.

London, Ontario,
1st September, 1942.

DIVIDEND NOTICES

Western Grocers Limited

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared:

On the Preference Shares 1¾% ($1.75) for the current quarter;

On the Common Shares, 75c per share;

Payable October 15th, 1942, to shareholders of record September 20th, 1942.

By order of the Board.

W. P. RILEY,
President.

Sun Life Assurance Company of Canada

HEAD OFFICE : MONTREAL
Stock Transfer Department

Notice is hereby given that a dividend of three dollars twenty-five cents ($3.25) per share on the capital stock of the Company has been declared for the quarter ending September 30th, 1942, and will be paid on October 1st, 1942, to shareholders of record at the close of business September 15th, 1942.

The stock transfer books of the Company will be closed from September 16th to September 30th, both dates inclusive, for the preparation of the above dividend.

By Order of the Board,

F. J. CUNNINGHAM,
Secretary.

The B. Greening Wire Company, Limited

Common Dividend No. 20

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company, Limited, held in the office of the Company on August 31st, 1942, a dividend of Fifteen cents per share on the Common Shares of the Company was declared payable October 1st, 1942, to shareholders of record September 15th, 1942.

F. J. MAW,
Secretary.

Hamilton, Ont., September 2nd, 1942.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 57

NOTICE is hereby given that a dividend of Fifty cents (50c) per Share on Class "A" Shares has been declared for the three months ending September 30th, 1942, payable by cheque dated October 15th, 1942, to shareholders as of record at the close of business on September 30th, 1942; such cheques will be mailed on October 14th, 1942, by the Montreal Trust Company from Vancouver.

By Order of the Board,

J. A. BRICE,
Secretary

Vancouver, B.C.
September 4th, 1942.

Sheep Creek Gold Mines Limited

(Non-Personal Liability)

Notice of Dividend No. 26

Notice is hereby given that a Quarterly Dividend of four cents per share, and a special bonus of one cent per share, have been declared on the paid-up Capital Stock of the Company, payable on the 15th day of October, 1942, to shareholders of record at the close of business on the 30th day of September, 1942.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 30th September next.

By Order of the Board.

JAMES ANDERSON,
Secretary.

Vancouver, B.C.,
September 1st, 1942.

More Magnesium for Allies

Canada and U. S. Place Total of Six New Plants To Work

New magnesium plants are now rapidly coming into production. The plant of Dominion Magnesium Co. is being carried forward toward capacity and news from the United States tells of rapid progress in the great magnesium production programme there.

The Great Basic Magnesium Inc. plant at Las Vegas, Nevada, started production within the last week or so. This plant alone has a rated capacity of approximately 3½ times the total United States output in 1941. Other new plants to reach production in recent weeks are: The new Dow Chemical Company plant in Texas; The Ford Motor Co. plant in Michigan; the Permanente Metals Corp. plant, Mainteca, Calif., and the New England Lime Co.'s Connecticut plant. Of these, the Basic and Dow plants use standard electrolytic processes while the other three use the new ferro-silicon processes developed within the last year. All five U. S. plants were financed and are authorized by the United States Government through the Defense Plant Corporation with a total cost of approximately $175 millions.

Finished In Four Months

The ferro-silicon plants were completed in four months while three further ferro-silicon plants are nearing completion and will commence operation later this year. An additional four electrolytic plants are also under construction. The huge Basic Magnesium plant was completed in 10 months or in something over twice the time it required to build the ferro-silicon plants.

Some of the United States ferro-silicon plants use the Canadian process developed by Dr. Lloyd Pidgeon while others use the somewhat similar Union Carbide process.

Costs Awaited

Little information has been yet given out as to relative costs of alternative methods of turning out magnesium. This information is eagerly awaited. The ferro-silicon process has the advantage of low plant cost and speedy production, but it is too early yet to say how it stands up alongside the electrolytic processes on operating costs.

Much further research is going on looking to still cheaper production of magnesium. In view of the number of processes already worked out with limited research there appears to be a good chance that further revolutionary developments may still be in the making. Completion of the present programme of production facilities will place United States and Canada in the position of turning out far more magnesium than Germany or any other country in the world.

Use It In Incendiaries?

The large projected production of magnesium — around 725 million pounds a year for the United States alone—has caused considerable conjecture in itself. People in close touch with the situation think that only a small portion of it will go into airplane manufacture. The United States is already turning out around 5,000 airplanes a month using very little magnesium. While production is to be stepped up to 10,000 a month under the programme laid down by President Roosevelt, it has been suggested that much of the large new production of magnesium won't be needed for that.

It has been suggested the large production of magnesium may have been desired for incendiary bombs. More than once, it has been pointed out that Tokyo and other Jap cities might be first-class objectives for incendiary bombing. If the programme was laid out originally with bombing of Tokyo in mind, the recent trend of events has been encouraging. Chinese recapture of "bomb Tokyo" airdromes means that regular bombing of Tokyo is well within the realms of possibility. This makes the rapid progress of magnesium plans all the more important.

Mining Concentrates

Amic Syndicate operating in the Eau Claire area, has a crew of 12 men at work preparing for production under the direction of its new manager, Guy McChesney. One dyke will be used for first production but a second dyke is stated to be available for operation also. Plans call for establishing a mica-processing plant at Bonfield, Ont., using about 20 girls.

* * *

Bulolo Gold Dredging's position has been unknown since the Japanese took over the eastern coast of New Guinea. Even if the Japanese should be driven completely from New Guinea in the near future, it appears doubtful if operations would be resumed before the end of the war. If men and equipment should be available for resumption of operations, which hardly seems likely, there would always be the danger of a new Japanese push. While the Bulolo operation has been lost for the time being, Bulolo Gold Dredging had assets in cash and Australian and Canadian Government securities equal to $4 a share Canadian currency last March. The stock has been selling a little below $7 a share.

* * *

Canadian coal mines turned out 1,474,462 tons of coal in July compared with 1,214,319 tons in July, 1941, and the July average of the last five years of 1,110,226. During the seven months ended July 31, 1942, 10,939,326 tons of coal were produced altogether compared with 9,676,067 tons in the corresponding period of 1941. Coke production in July was 275,000 tons, 5,000 tons higher than June.

Eldorado Gold Mines shares have been strong recently. This may be the result of the increase in the price of silver by nearly 10 cents an ounce in the United States. Eldorado has considerable resources of silver ore remaining to be developed and more attention could probably be paid to this metal with a continued higher price. As silver has become a strategic war metal, authorities are not likely to put any obstacles in the way of greater production.

* * *

Central Patricia Gold Mines has declared 3 cents a share payable Sept. 30, 1942, to record Sept. 15. This is a reduction from the previous quarterly dividends rate of 4 cents a share.

* * *

Golden Manitou Mines may increase mill capacity from 600 to 900 tons daily. Around 300 tons a day is being handled at present. It is expected rated capacity of 600 tons daily will be reached shortly.

Gilies Lake-Porcupine Gold Mines has sold the balance of its treasury stock totalling 1,075,100 shares at 3 cents a share to Empire Gold Mines and has received payment in cash. Issued capital is now 5 million shares.

* * *

International Mining Corp. at June 30, 1942, reported net asset value of $2,843,616 or approximately $5.80 a share after deducting reserve and allowing for all estimated taxes. Of total assets, 3.11% was in cash and receivables while 96.66% represented investments and advances.

* * *

Kenwest Gold Mines is reported to have secured permission for continuation of development at its property in the Kenora area.

* * *

Mattawa Syndicate, operating in the Eau Claire region, will soon have its property combined with that of the adjacent Amic Syndicate, it is reported.

* * *

A Malartic mine lost 40 of its men in a single day a week ago, it is reported.

* * *

Sigma Mines (Quebec) is one of the few gold mines which has been able not only to maintain its production but to increase it despite existing labor conditions. On only two occasions has the monthly output value recorded in August been exceeded. Details of August output are as follows:

1942:	Tons milled	Tons daily	Recov. per ton	Total recov.
August	34,379	1,109	$7.56	$259,987
July	33,409	1,078	7.60	253,922

* * *

Sheep Creek Gold Mines has declared an extra dividend of a cent a share along with the regular quarterly dividend of 4 cents a share both payable Oct. 15, 1942, to shareholders of record Sept. 30.

Commoil Finances In Better Shape

Reduce Liabilities Even Though $70,000 Lost in Ace No. 2 Well

While Commoil Ltd. realized a $25,600 profit from sale of a lease in addition to a $31,907 profit from operations in the 14 months ended June 30, 1942, the company was forced to write off $70,000 of advances for drilling Ace No. 2 well which proved unproductive.

After paying $46,113 in dividends during the period, however, the company was able to reduce the excess of current liabilities over current assets by over $100,000 to $3.768. The company has a $64,376 portfolio of investments not included in current assets.

No development work is being done at present but directors are conserving the company's financial position for participation in a suitable development programme.

Income and Surplus Account

	14 mos. to June 30 1942 $	12 mos. to Apr. 30 1941 $
Crude sales	313,709	351,030
Less: Gov't. royalty ..	31,801	35,012
Lessors royalty	24,704	28,872
Royalty units	17,950	23,270
Prod. expense	15,621	20,246
Net oper. income	223,633	243,630
Add: Rent of equip. ..	27	61
Gross royalty	2,298	4,512
Bond interest	90	......
Dividends recvd. ...	6,042	......
Other income	25	13
	232,115	243,216
Less: Admin. exp. ...	10,435	12,963
Depreciation	13,126	9,706
Deplet. & devel. ..	150,761	136,417
Royalty depletion ..	574	1,128
Inc. tax provision ..	18,208	35,454
Taxes, ins., etc.	4,888	......
Gov't. investigation	769	......
Loss on assets	1,447	......
Net profit	31,907	52,548
Less: Dividends	46,113	43,658
Surplus for year	*14,206	8,890
Add: Prev. surplus ..	59,618	50,936
Inc. tax adjust.	10,931	......
Profit on lease	25,600	......
Less: Loss on lease ...	......	208
Ace No. 2 loan w/o	70,000	......
Surplus forward	11,943	59,618
*Deficit.		
Earnings per Share and Dividend Record:		
Earned	$0.033	$0.05
Paid	0.04¾	0.04½
No. of Shs. Outstanding	970,187	970,187
Working Capital	$	$
Current assets	47,036	32,669
Current liabs.	50,804	141,562
Excess of curr. liabs. over curr. assets	3,768	108,893

Mining INVESTMENTS

Salvage from mines is becoming an important item, according to information released by the Department of Munitions and Supply at Ottawa. Enough lead is now being recovered from assay slag at gold mines of the Kirkland Lake and Larder Lake areas each year to make 2.4 million bullets, it is stated.

Before this, the slag was considered worthless. The mines in the Kirkland Lake and Larder Lake areas are apparently the first to attempt recovery of this metal. The Kirkland Lake salvage committee will receive approximately $1,300 annually for 60 tons of slag from which 24 tons of lead will be recovered. The 24 tons of lead are enough for 2.4 million bullets.

* * *

International Nickel Co. shares in the U. S. are now at "parity" with the current price in Canada when allowance is made for the 10% difference between the Canadian and U. S. dollars. This marks the first stock to return close to its Canadian equivalent since the F. E. C. B. placed its regulations in effect

Close students of the situation are not surprised at the strength of International Nickel shares in the United States recently. American investors consider International Nickel earnings have held up fairly well despite the excess profits tax and they are not yet so sure their own companies will fare as well when full brunt of war taxation is felt south of the line.

When Canada was at war and the United States wasn't, some U. S. investment counsellors advised American investors to steer clear of purchases of International Nickel.

* * *

Base metal mines in Canada have been experiencing such serious labor difficulties that they have now resorted to employing some women for jobs above ground. The situation is still serious and is not confined to Canada. In the United States, Donald Nelson has found it necessary to send a special letter to base metal mine workers telling them to stay at their jobs.

The situation in Canada is not quite analagous with that in the United States. Base metal mines here have been losing workers, but with National Selective Service, it does not appear our base metal mines will continue losing workers.

* * *

U. S. experience shows open country isn't always the best place to seek strategic metals. Dow Chemical has demonstrated that magnesium can be secured from sea water in surprising quantities and now the U. S. Bureau of Mines reports that sands along Oregon beaches contain chromite. Some 1.4 million tons of sand run 5 to 9% chromium oxide with around 1% of zircon besides.

Geologists are of the opinion that extensive but unknown reserves of chrome ore exist in the localities where the black chromite sands occur. In Canada, some of the best mineral deposits such as those at Cobalt and Sudbury were stumbled on by accident. Probably further deposits will be found in unexpected places. Minerals have a habit of cropping up in unexpected places.

Lava Cap Shows Higher Profit

Classed as Vital to War Effort Due to Grade of Concentrates

While production declined slightly, Lava Cap Gold Mining Corp. was able to show an increase in earnings the six months ended June 30, 1942, due to lower costs.

Net profit for the first half of 1942 totalled $124,940 equal to 5.1 cents a share compared with $104,989 or 4.3 cents a share in the first half of 1941. Production was approximately $41,000 lower at $707,096 in 1942, but reductions in operating expenses more than offset the decrease in production and the rise in taxes.

Tonnage Off Slightly

Notwithstanding a shortage of labor, 69,566 tons of ore were milled, a decrease of only 2,834 tons in comparison with the same period of the preceding year.

The large decrease in operating expenses was due to several factors. During 1942 the mill was not operated as many hours as during 1941 due to the labor shortage. The corporation was classified as vital to the war effort by the W.P.B. and was therefore able to build up a more adequate working force. Due to shortage of labor, some $35,000 less was spent on development. That the future position of the company has not been weakened by the smaller expenditure on development is stated to be shown by the fact ore reserves at June 30, 1942, totalled 212,000 tons compared with 210,500 tons at Jan. 1, 1942.

Increased efficiency in operation of the cyanide plant also contributed to the improved showing.

Current assets as at June 30, 1942, totalled $465,906 compared with $335,799 a year previous. Current liabilities show a reduction from $177,521 to $134,893.

A total of $74,629 has been invested in U. S. treasury notes as a reserve against 1942 and 1943 taxes.

Gunnar Gold Mines has staked seven claims in the Bird River area, Lac du Bonnet district, Man., following a discovery of chromium. All production activities have been stopped for duration at the company's Manitoba properties. Net current assets on hand, June, 1942, totalled $593,227 equal to 22 cents a share. A clean-up of the mill is now being made and some extra revenue may result from this.

Chromium M. & S. Earns First Operating Profit

Reflecting increased production and sales as reported in The Financial Post last week, Chromium Mining & Smelting Corp. reports its first profit in a statement covering the period Jan. 1 to June 18, 1942. A profit of $102,212 equal to 8.1 cents a share was realized in the less than six months before depreciation and taxes.

"Although your company has expended a very substantial sum in plant expansion, its earnings do not yet reflect the benefit to be derived from this investment," President Leo H. Timmins states in his remarks to shareholders. All figures and data with regard to present or future production that might be of value to the enemy have been withheld at the request of the Metals Controller, Mr. Timmins notes.

Construction $1.5 Million

Since its last balance sheet as at March 26, 1941, prior to reorganization, considerable construction has been carried out and smelter account now shows an increase of over $1.5 million at $4,383,869.

Current assets increased in the same period from $865,684 to $1,362,248 reflecting the greater turnover and the need for higher inventories. Current liabilities showed a reduction from $1,916,047 to $1,530,901.

Under the reorganization, $1,660,951 of bills payable were eliminated by conversion into stock. Since then a $1,338,584 bank loan, included in current liabilities, has been incurred to allow the necesary building up of inventories and to take care of expenditures involved in further expansion.

All but $68,000 of the company's $1,250,000 bond issue was eliminated by the 1941 reorganization. Of the authorized capital of two million shares, 1,146,650 have now been issued.

Surplus carried forward, before depreciation, totalled $102,212 as at June 18, 1942. The financial statement indicates the company changed its accounts over from a development basis to an operating base on Jan. 1, 1942.

Amity May Sell Claims To Marge Copper Gold

At a special meeting called for Sept. 9, shareholders of Amity Gold Mines will be asked to approve sale of the company's Boston Creek property for 100,000 shares of Marge Copper Gold Co. The property has been closed down for some time.

During 1928 and 1929 Amity shipped 12 cars of ore to the Noranda smelter, but shipments were suspended when the price of copper fell below 13 cents a pound. Amity is understood to own properties other than the Boston Creek property.

New Shell Cases Save on Copper

Substitution of steel cartridge cases for copper cartridge cases will mean a substantial saving in copper in the United States but there seems to be considerable disagreement on just how much copper is going to be saved.

Lieut.-Col. J. H. Frye of the U. S. Ordnance Department estimated recently that the substitution would mean a saving of about 345,000 tons of copper.

Another U. S. Army authority, Brig.-Gen. Brehon B. Somervell, in the September issue of Factory Management and Maintenance, estimates, however, that "200,000 tons of copper will be so displaced while an additional 37,500 tons will be saved by changing various army specifications."

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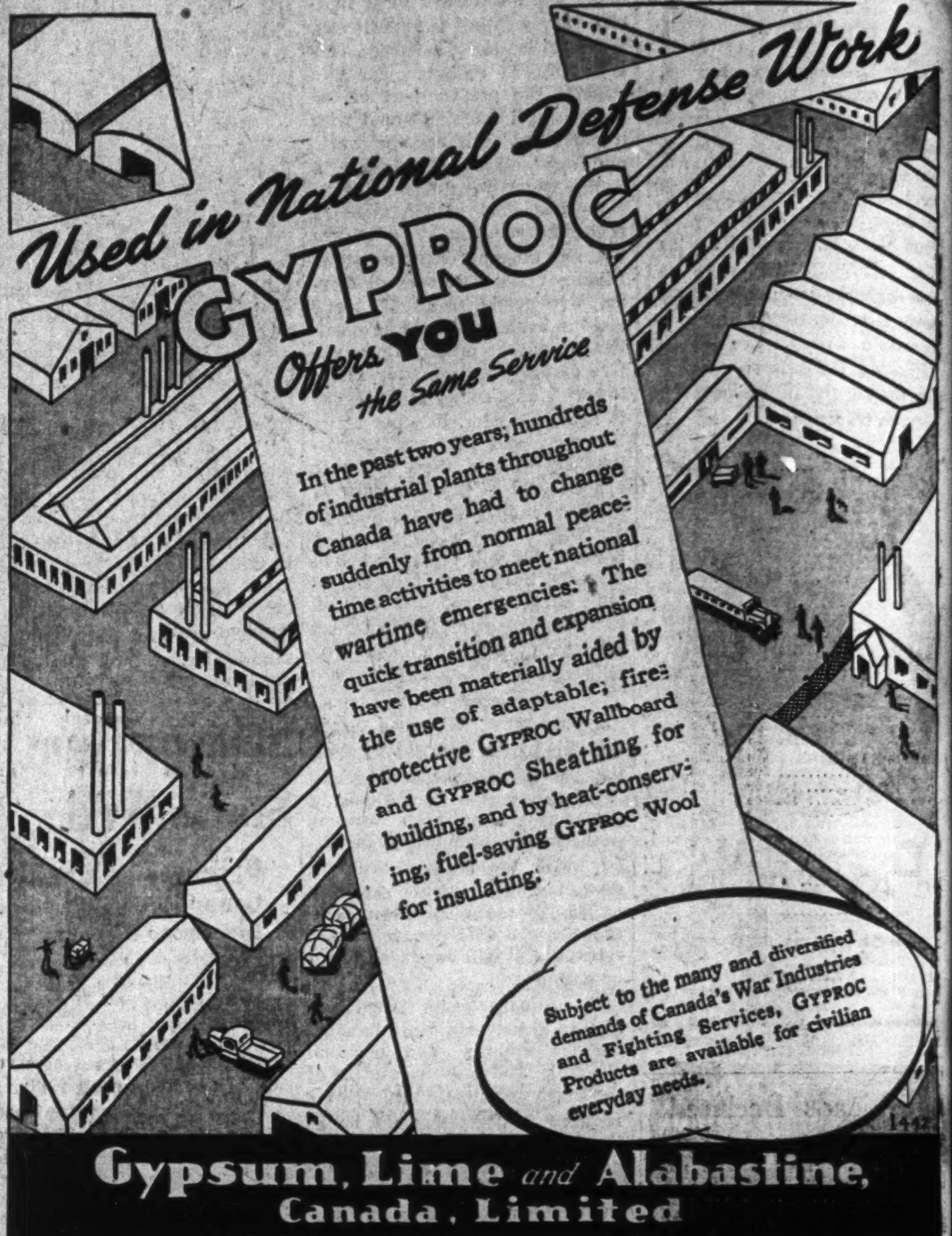
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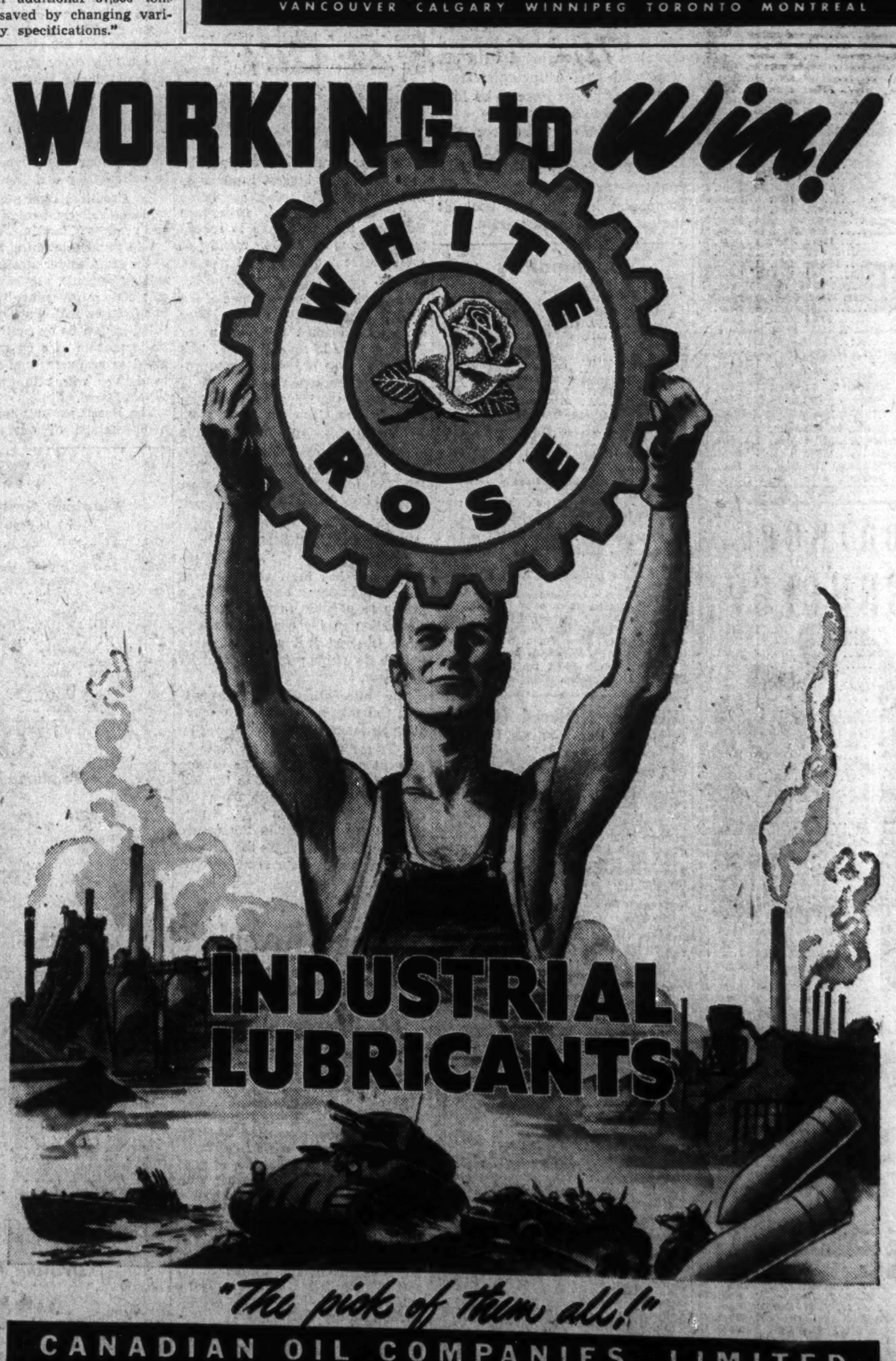
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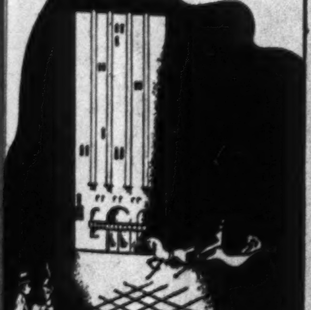
Polaris Taku, a private west coast gold mining concern, is another property forced to close down because of the shortage of labor. Shortage of supplies and a difficult transport problem also complicated the picture before it was decided to suspend.

in MONTREAL... the BERKELEY HOTEL



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Silver Anomaly Arouses U. S. Ire

Industry Short Though Plenty In Treasury

By GORDON M. GRANT

When Japs attacked Pearl Harbor, the United States was infused with new unity of purpose.

It was generally agreed the important thing was to get on with the war. That personal interests and ambitions of both capital and labor should be subordinated until final victory.

But one small but powerful and extremely vocal faction still regarded its own sectional interest as more important than furthering the war effort, it has been charged by U.S. newspapers. Known as the "silver bloc," a group of United Senators from the "Rocky Mountain States" are reported still going all-out—all-out to further the interests of a small $35 millions a year local silver-producing industry.

A "Silver Scandal"

The New York Times terms the situation the "Silver Scandal," American Metal Market talks about the "silver shibboleth" and the American National Retail Jewellers Association terms silver "one of the great faith-shaking travesties." The New York Times sums up the situation thus:

"All this is the result of two absurd laws fastened upon the country by a little group of selfish senators from the silver producing States acting in concert with the agrarian-inflationist bloc in both branches of Congress. . . . The situation is absurd, as has been the whole history of silver for the past 10 years. More than that, it is disgraceful. That our war industries should be short of silver and other industries should be forced to go out of business merely in order to maintain silver as a kept metal, subsidized into useless idleness by an unwilling government, is a condition that calls for indignant protest."

Silver Legislation Hurts

In peacetime, the "silver lobby" with its advocacy of a higher price for silver was looked on by many as an unnecessary but not too harmful element in the United States political sphere. Legislation this group has been powerful enough to have passed since 1934—and whose continuation they are reported insisting on now—is said to be seriously interfering with the regular operation of United States industry. It has already forced a number of smaller United States silver-working firms out of business. This fact was pointed out by G. H. Niemeyer, president of Handy & Harman, leading U.S. silver workers, late last month.

Loss of tin resources in the far east first brought the silver situation to a head. When plenty of tin and silver was available for industrial uses the "silver lobby" wasn't a serious threat to industrial activity. Now with tin supplies cut off and industrial activity greatly increased, home production of the U. S. silver industry and imports from Mexico and Canada are perhaps not enough for war purposes. Peacetime users, looking to silver as a substitute for tin, are meeting with keen disappointment. A special license is now required to use a low-cost foreign silver under a WPB order.

Thirty Years' Supply

"Why, when the U. S. treasury has three billion ounces of silver on hand, is there a shortage of silver for important industrial uses?" has been the widespread query. Working on the assumption that current production plus imports will take care of most if not all war demands, it has been estimated that perhaps 100 million ounces of silver a year would take care of peacetime demands of the United States and Canada. Thus the U. S. treasury reserve of three billion ounces might be enough to take care of demands for 30 years. But legislation on the books prevents the three billion ounces from being used.

Treasury Forced To Buy

Legislation in 1934 and again in 1939 was designed to prevent United States silver reserves from being used industrially, it appears. The Silver Purchase Act of 1934, for instance, requires the treasury to buy silver endlessly in pursuit of the unattainable goal of having one fourth of the United States combined stocks of gold and silver in silver.

The goal is unattainable because there isn't enough silver in the world to reach it.

Further legislation put on the books in 1939 requires that the United States buy all home-produced silver at 71.11 cents. Silver hasn't sold this high on the open market for two decades and averaged 25 cents for all 1941. When "foreign" silver hasn't been available, industrial users have had to pay the inflated price for the home-produced product.

Silver can theoretically be sold from U.S. reserves at $1.29 an ounce. The $1.29 an ounce figure is prohibitive, however, due to the present ceiling prices on silver products, it is stated. Thus the silver industry must go hungry as far as peacetime uses are concerned even though plentiful supplies are just around the corner.

Cut Down Oct. 1.

Some peacetime users have been cut down to a twelfth of their former use and after Oct. 1 even that remnant of raw material is expected to be cut off.

Some steps have been taken to correct the situation in the United States but it is doubtful if they will come close to satisfying the silver industry. The United States treasury is "lease-lending" half its silver stock for use in "bus bars" in new war plants producing aluminum and magnesium. This will release 40,000 tons of copper for war uses but won't mean anything extra in the way of silver as a substitute for tin in solder. The remaining 1.5 billion ounces of silver held by the U. S. treasury have been monetized and are reserved against silver certificates. Under the present legislation there has been no desire to convert certificates into silver at the high price of $1.29 an ounce when the market price is much lower. The silver retailers association wants the silver put in bus bars to be used for backing of silver certificates, releasing the remaining 1.5 billion ounces for other purposes—including industrial use.

Hit New Uses

Some of the peacetime uses of silver likely to be cut off are of the luxury variety but some of the others are essential to the orderly running of important parts of business.

Some time ago, The Financial Post told how lead-silver alloy tooth paste and shaving cream tubes had been found satisfactory to fill the gap caused by loss of tin tubes. But toothpaste and shaving cream tubes are peacetime uses of silver—American and Canadian consumers may thus have to do without them even though the supplies of both lead and silver exist and the cost of these tubes of silver and lead is lower than the cost of corresponding tin tubes. Solders and silver plate work are both important outside the realm of jewellery. But they too may become things of the past.

Silver certificates are convertible into silver at $1.29 an ounce but, as stated; this price is too high to allow purchase by ordinary consumers under a price ceiling. The ration of one-twelfth of ordinary consumption would still apply for many peacetime uses.

Sees New Chance for Silver

What is to happen with the silver situation? Will congress reverse the present situation and loose silver reserves for industrial use? Will the silver price contradiction be abolished? The answer depends in large part on the attitude of the silver bloc and the attitude taken regarding the silver bloc. American Metal Market, a leader in the movement for a change in the silver situation argues that the silver bloc would do well in their own interests to change their position. Says this publication:

"If the silver bloc do not follow their usual obtuseness they have another opportunity to do something for their 'blessed' silver. They now can truthfully say, for the first time in their lives, that there is urgent consuming demand for it. They should put to use all that can be produced. Some residuum of this new demand may last after the war, for which they should rejoice and they will help themselves and their silver shibboleth if they will help the jewelers and silver industrialists get silver metal now."

Selling Agencies WANTED

THE NORTH BRITISH RUBBER CO. LTD.
284 KING STREET WEST
TORONTO, ONTARIO

Manufacturers of the famous North British Golf Balls and golf equipment, also mechanical rubber goods, x-ray gloves, diving dresses, combs and rubber hose.

Due to the rubber shortage our sales are decreasing. We have a first class selling and clerical organization and 4000 feet of clean well lighted warehouse space in the Anderson-MacBeth building.

Manufacturers looking for active sales representation are invited to communicate with the above.

The Week in Oils

From Our Own Correspondent

CALGARY.—Alberta's oil production during July—845,013 bbls.—brought operators a return of $1,275,504, and boosted returns for the first seven months of 1942 to 5,989,495 bbls. and revenue of $9,166,269.

Compared with the first seven months of last years, this year shows a production gain of 360,065 bbls., and a gain in revenue of $1,905,326. The heavy revenue gain was due to the increase in oil output, also to the substantial boosts in Turner Valley crude oil and natural gasoline prices effected in mid-1941.

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Turner Biggest Source

The July oil output has boosted the record production from Alberta fields up to 52½ million barrels. Of this total, Turner Valley has accounted for 51.8 million barrels, and other fields have produced 672,941 bbls.

Following is a brief summary of Alberta oilfields, showing the output recorded for the month of July, 1942, and the total yield from inception to July 31, 1942:

Field:	July	Total yield to July 31
Turner Valley Field:		
Limestone crude	811,085	39,282,700
Limestone naphtha-gas	1,556	8,088,620
Shallow crude	442	475,137
Natural gasoline	16,628	3,977,114
Total Turner Valley	829,711	51,823,371
Other fields:		
Vermilion field	7,675	63,001
Red Coulee field	843	310,875
Wainwright field	1,237	152,916
Del Bonita area	....	9,003
Dina field	....	21,194
Princess field	851	24,808
Lloydminster area	....	2,031
Tilley field	646	4,228
Taber field	4,050	33,816
Miscellaneous	....	51,071
Total other fields	15,302	672,941
All Alberta sources	845,013	52,496,312

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More Wells Drilling

The number of Turner Valley drilling wells climbed again to 22 last week, with spudding of two more wells in the north extension area. New drillers are: Calmont-Millarville No. 1, offset of the Incomes No. 1 producer in L.S.D. 3 34-20-3w5 and Home-Millarville No. 14, offset of Major Oil Investments No. 9 in L.S.D. 16 33-20-3w5. Both new wells are located on the east side of the structure, in the area thrown into the spotlight recently by successful completion of Major No. 9, first well to ever drill to the limestone east of the Turner Valley crest.

Drilling permit has been issued for a new key test in the south extension area of Turner Valley. The new well, H. & D.—Becker No. 1, is slated to go down in L.S.D. 15 4-18-2w5, about one mile southeast of the field's southern producing limits. It is to be drilled with cable tools by contractor Roy Widney. Completion in the Madison lime is said to be looked for around 6,500 ft.

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September Quota Set

Paced by Major Oil Investments No. 3 with a top daily allotment of 825 bbls., Turner Valley oil wells are now operating under a September schedule under which 186 wells share a daily quota of 25,308 bbls.

The new schedule, issued a few days ago, includes three new wells not listed in the original schedule for August.

Home Millarville No. 10, which was given an allotment of 658 bbls. in mid-August following completion of acidizing and test, has been given a September allotment of 665 bbls, second largest in the field.

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Major Oil Investments No. 8, which received an allotment of 258 bbls. early in August, is increased to 293 bbls. under the September schedule, gas-oil ratio having improved as a result of shutting off the gas-producing upper porous zone, and operating the well from the lower horizon only.

The recently completed Northwest-Hudson Bay No. 7 has been given a temporary quota of 600 bbls. per day for September, pending completion of tests which are now under way.

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Top-ranking Wells

The field's top-ranking wells under the September schedule with their daily allotments under the August and September lists are as follows:

Well:	Sept.	Aug.
Major Oil No. 3	825	835
Home Millarville 10	665	658
Atlas-British Dom. 2	654	676
Major Oil No. 7	650	*649
Home Millarville 2	627	625
Foothills 12	604	661
Northwest Hudson Bay 7	*600	..
Major Oil Investments 3	578	604
Home Millarville 7	526	492
Ace Royalties 1	525	543
Home Millarville 11	500	572
Foothills 10	500	513
Alberta Oil Incomes 2	485	522
Major Oil No. 9	427	488
Home Millarville 1	420	420
Miracle Royalties 1	415	409
Foothills 7	391	344
Northwest Hudson Bay 6	348	421
Miracle Royalties 2	304	272
Major Oil No. 4	299	288
Major Oil No. 8	293	258
Drillers & Producers 2	290	295

*Temporary allowable.

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Well Efficiency Up

The overall operating efficiency of Turner Valley's limestone oil wells took another major stride forward during the month of July, when the overall gas-oil ratio dropped to 3.04 m.c.f. per bbl.—the lowest point since April, 1940. The overall gas-oil ratio was 3.22 m.c.f. in June, 1942, and 3.92 m.c.f. in July, 1941.

As a result of the reduced overall gas-oil ratio, natural gas production from limestone oil wells dropped to 2,465,438 m.c.f. in July, 1942, compared with 2,579,995 m.c.f. in June, 1942, and 3,227,151 m.c.f. in July last year. Crude oil produced with these volumes of natural gas amounted to 811,085 bbls. in July, 1942, 800,784 bbls. in June, 1942, and 823,125 bbls. in July, 1941. Commenting on the reduction in natural gas output. The Conservation Board states in its report covering July that the decrease was "largely due to more efficient oil production operations."

THE NEW INCOME TAX

PART I - *As it Affects*

SALARY AND WAGE EARNERS

1. *Question:* WHO MUST PAY?

Answer: All persons in receipt of incomes over $660 single—or $1200 married.

2. *Question:* WHAT FORMS DO YOU HAVE TO FILL OUT?

Answer: Unless you are single, without dependents, and not making payments for allowable personal savings (Item 5D), you should file Form TD-1 with your employer. Otherwise he *must* deduct the amounts provided by the Table of Tax Deductions for a single person without dependents or personal savings.

If ¾ or more of your income comes from salary or wages, you must file your 1942 Income Return by 30th September 1943. If your income is not over $5,000, including not over $100 from investments, you will use Form T1-Special; otherwise you will use Form T.1.

3. *Question:* WHEN AND HOW IS YOUR TAX COLLECTED?

Answer: Your employer is *required by law* to make deductions from your salary or wages on account of your 1942 tax during the period September 1942 to August 1943. Each deduction must be the amount provided by the official Table of Tax Deductions for your *current* rate of pay, and family status and personal savings as declared on Form TD-1 (Item 2 above).

The Table is designed to collect about 90% of the tax on your salary or wages, leaving a balance of not more than 10%, in most cases, (plus tax on your other income, if any) to be paid with your Income Return to be filed in September 1943.

If your salary or wages are less than ¾ of your income, you must pay tax on your other income by compulsory instalments. (See Part II below).

4. *Question:* WHAT CONSTITUTES TAXABLE INCOME?

Answer: Your income is made up of your full salary or wages before any deductions whatsoever, plus living allowances, gratuities or bonuses (including cost of living bonus) and the value of any board, living quarters or supplies, etc., given you by your employer. It also includes such receipts as interest and dividends, rents (after taxes, repairs, etc.), royalties and annuities. From your total income you deduct payments (up to $300) into certain types of employees' superannuation or pension funds, charitable donations up to 10% of your income, and medical expenses over 5% of your income (maximum—$400 single, $600 married, plus $100 for each dependent up to four), to find the amount of your *taxable income.*

5. *Question:* HOW MUCH DO YOU PAY?

Answer: (A) Normal Tax—(whichever rate is applicable is applied to the full amount of your taxable income from the first to the last dollar).

(1) Single—
with taxable income between $660 and $1800—7%
with taxable income between $1800 and $3000—8%
with taxable income over $3000—9%
(2) Married (or equivalent status)—
with taxable income over $1200—7%
(3) Dependents—tax credit for each—$28

(B) Graduated Tax—

(1) On first $660 of taxable income—No Tax.

30% on next $ 500	55% on next $ 5,000
33% on next 500	60% on next 7,000
37% on next 1000	65% on next 10,000
41% on next 1500	70% on next 20,000
45% on next 1500	75% on next 20,000
50% on next 3000	80% on next 30,000

85% on excess over $100,000

(2) Married (or equivalent status)—tax credit—$150

(3) Dependents—tax credit for each—up to $80

(C) Surtax—4% on investment income over $1500 without exemptions.

NOTES

(1) In no case are you required to pay a net tax (i.e., after credit for dependents) which would reduce your taxable income below $660 single or $1200 married.

(2) If a wife has *unearned* income over $660, then both she and her husband are taxable as single persons, but any amount a wife *earns* does not affect her husband's right to be taxed as a married person. A married woman is taxed as a single person under all circumstances except only when her husband's income is less than $660.

(D) Tax Credit for Personal Savings—
You may deduct from the savings portion of your tax (Item 6) 1942 payments on account of—

(1) an approved employees' (or trade union) superannuation, retirement or pension fund;
(2) premiums on life insurance policies issued prior to 23rd June 1942 (if issued after that date ask your insurance company or Inspector of Income Tax);
(3) annuity or savings policies not postponable without substantial loss or forfeiture; and
(4) principal payments on a mortgage or agreement of sale, existing prior to 23rd June, 1942, on one residential property;

provided (a) they do not exceed the savings portion and (b) receipts are produced for the payments when filing your Income Return.

(E) National Defence Tax—
This tax does not apply after 31st August, 1942. The deductions made during January to August 1942 apply as a payment on account of your 1942 tax.

6. *Question:* HOW MUCH OF YOUR TAX IS SAVINGS?

Answer:

(1) Single—the *lesser* of
  (a) ½ the total of your Normal Tax, Graduated Tax and Surtax; or
  (b) 8% of your taxable income (maximum $800) plus 1% for each dependent (maximum $100 for each).
(2) Married (or equivalent status)—the *lesser* of
  (a) ½ the total of your Normal Tax, Graduated Tax and Surtax; or
  (b) 10% of your taxable income (maximum $1000) plus 1% for each dependent (maximum $100 for each).

You will get back the savings portion of your tax which you actually pay, plus 2% interest, after the war.

A booklet entitled
"YOUR 1942 INCOME TAX"
will be available shortly
at offices of Inspectors
of Income Tax.

7. EXAMPLES OF AMOUNTS PAYABLE ON 1942 EARNED INCOME
(after allowing for National Defence Tax actually deducted Jan.-Aug. 1942)

	SINGLE—NO DEPENDENTS		MARRIED—NO DEPENDENTS		MARRIED—2 DEPENDENTS	
1942 Income	Tax Including Savings	Tax Only	Tax Including Savings	Tax Only	Tax Including Savings	Tax Only
$ 750	$ 54.50	$ 14.75	—	—	—	—
1,000	138.67	58.67	—	—	—	—
1,500	297.20	177.20	$ 167.20	$ 58.60	$ 25.66	$ 1.16
2,000	507.46	347.46	364.13	164.13	174.80	67.40
2,500	709.13	509.13	567.46	317.46	378.13	160.73
3,000	924.40	684.40	784.40	484.40	595.06	260.86
3,500	1,181.06	901.06	1,007.73	657.73	818.40	398.40
4,000	1,407.73	1,087.73	1,231.06	831.06	1,041.73	561.73
5,000	1,894.67	1,494.67	1,711.33	1,211.33	1,522.00	922.00

PART II - *As it Affects*

PERSONS OTHER THAN SALARY and WAGE EARNERS

(Such as business or professional men, investors, and persons on commission)

1. PAYMENTS—You must pay your 1942 income tax by quarterly instalments beginning on the fifteenth day of October 1942. Remittance Form T.7-B Individuals, to be sent in with your payments, may be secured from Inspectors of Income Tax some time in September.

2. RETURNS—You file your 1942 Income Return on Form T.1, on or before the thirtieth day of April 1943.

NOTE:—*Items 1, 4, 5 and 6 of Part I also apply.*

IF YOU ARE AN EMPLOYER paying any person on a daily, weekly, monthly or any other basis, it is your responsibility to deduct Income Tax instalments from the salaries or wages you pay, commencing with the first pay period beginning in September, and send the amounts deducted to your Inspector of Income Tax within one week from the pay-day. *There are severe penalties* for failure to deduct or remit. If you are in doubt as to your obligations to deduct, communicate with your Inspector of Income Tax at once.

DOMINION OF CANADA - DEPARTMENT OF NATIONAL REVENUE

INCOME TAX DIVISION

COLIN GIBSON,
Minister of National Revenue

C. FRASER ELLIOTT,
Commissioner of Income Tax

CUT THIS ADVERTISEMENT OUT FOR FUTURE REFERENCE

New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

The Financial Post herewith publishes a weekly resume of orders issued by the Wartime Prices and Trade Board and the Department of Munitions and Supply.

Following is a digest of recent orders:

RAILWAY FARES. Department of Transport Order T.C. 02P, July 30, eliminates certain reduced fares on the railways, including special convention rates. It became effective Aug. 31. Transport Cont., T. C. Lockwood.

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TINPLATE CONTAINERS. W.P.T.B. Order A-324, Aug. 7, regulates the size of tinplate containers for sweetened condensed milk, unsweetened evaporated milk, whole milk powders, malted milk and baby foods, and curtails by 25% the number of six ounce containers for unsweetened evaporated milk. Adm. of non-ferrous metals, G. C. Bateman.

* * *

BUS COLOR AND MARKINGS. M. & S. Order M.V.C. 23, Aug. 15, provides that any person making a bus shall paint the outside surface of the wheels and the body in the color designated by the color standard in the possession of the National Research Council of Canada as khaki green No. 3 glossy and that identification markings on buses may only be in white block letters, not more than four inches in height. Identification crests are also permissible. The regulation does not limit any regulation or requirement of any provincial or other government authority with respect to markings to be placed on buses. Motor Vehicle Cont., J. H. Berry.

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COTTON SEWING THREAD. W.P.T.B. Order A-346, Aug. 18, designates the colors in which cotton sewing threads may be manufactured. Cotton Adm. J. H. F. Turner.

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LAUNDRY EQUIPMENT. M. & S. order C. S. 15B, Aug. 18, provides that no person may make, sell, or purchase any commercial washing machine or commercial laundry or dry cleaning machinery without a written permit. Orders from the Department of Munitions and Supply and the Department of National Defense are exempted from the regulations. Cont. of Supplies, A. H. Williamson.

MACHINE SCREWS. W.P.T.B. Order A-349, Aug. 19, establishes standard sizes for machine screws. It provides that where an order calls for more than 15,000 identical pieces these may be made in an odd size. For orders of less than 15,000 pieces in an odd size, the manufacturer shall be entitled to add a service charge. Adm. of Fabricated Steel, H. H. Foreman.

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WOOD FUEL. W.P.T.B. Fuelwood Orders 31, 32 and 33 Aug. 20, regulate the price of fuelwood in certain areas of New Brunswick and Quebec. Coal Adm., J. McG. Stewart.

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BEEF PRICES. W.P.T.B. Order A-353, Aug. 24, sets maximum prices of the various cuts of beef up to Sept. 13. Food Adm., J. G. Taggart.

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CERAMIC PRODUCTS. W.P.T.B. Order A-355, Aug. 24. Ceramic Products means ceramic and clay tableware, dinnerware and kitchenware. After Sept. 30 no person may distribute ceramic products as a trade inducement, attendance inducement, prize or award, or in exchange wholly or partly for coupons or in any similar manner. Adm. of Sundry Items, G. P. Sabiston.

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ELECTRIC STOVES. M & S Order CS-10E, Aug. 25, takes electric stoves off the "frozen" list and permits dealings on a limited basis. Persons buying electric stoves must fill in certificates setting forth that their need for new stoves is essential. Cont. of Supplies, Allan H. Williamson.

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LAKE CARGO FREIGHT RATES. W.P.T.B. order 180, Aug. 25, amends the rate schedule for certain freight carried by Great Lakes shipping. Donald Gordon, W.P.T.B. chairman.

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BISCUITS, W.P.T.B. order A-356, Aug. 25, permits an increase of one cent a lb. in the maximum prices of biscuits manufactured in Quebec, New Brunswick, Nova Scotia and P.E.I. Foods Adm., J. G. Taggart.

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FRUIT AND VEGETABLE PACKAGES. W.P.T.B. order A-354, Aug. 21, amends earlier orders relating to the packaging of fruit and vegetables, and tightens up on the use of wood veneer baskets Timber Adm. A. S. Nicholson.

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DEHYDRATED ALFALFA MEAL. W.P.T.B. Order A-357, Aug. 25, regulates the price of feed mixtures containing dehydrated alfalfa meal Feeds Adm., F. W. Presant.

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ELECTRICAL EQUIPMENT. M. & S. order C.S. 32A-1, Aug. 25, clarifies an earlier order prohibiting the manufacture of household electrical appliances, defining such appliances as electric grills, electric percolators, electric stoves for glass coffee makers, electric tea kettles, electric toasters, electric irons, electric household fans, and electric ironers. Cont. of Supplies, A. H. Williamson.

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EGGS. W.P.T.B. order 178, Aug. 25, fixes maximum wholesale prices for eggs. Donald Gordon, W.P.T.B. chairman.

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CLOSET SEATS. W.P.T.B. Order A-359, Aug. 26, designates the type of closet seats which may be manufactured. Adm. of Heating Equipment, E. J. Laidlaw.

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ALFALFA MEAL. W.P.T.B. order A-365, Aug. 26, fixes a maximum price per ton for alfalfa meal, restricting the manufacturer's markup. Feeds Adm., F. W. Presant.

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DRAIN FITTINGS. W.P.T.B. Order A-358, Aug. 26, restricts the type of floor and roof drain fittings which may be manufactured. Adm. of Heating, E. J. Laidlaw.

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FEED GRAIN W.P.T.B. order A-366, Aug. 26, fixes the maximum price for feed grain. Feeds Adm., F. W. Presant.

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CONDENSED MILK. W.P.T.B. Order A-360, Aug. 26 No manufacturer in any quarter may sell more canned condensed milk by weight than in the corresponding quarter of 1941. This does not apply to condensed milk sold for export to other parts of the British Empire, to the Department of National Defense, or for delivery to military canteens and messes in Canada. Manufacturers must file with the sugar administrator quarterly reports as to the total quantity of bulk condensed milk sold, with the name of each purchaser. Reports must also be made on the quantity of canned condensed milk sold. The order does not limit the sale of condensed milk in bulk. Food Adm. J. G. Taggart.

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COTTON YARN AND CLOTH. W.P.T.B. Order A-363, Aug. 27, replaces a previous order fixing ceiling prices on cotton yarn and cotton cloth. Under the new Order, Prices prevailing in February, 1941, are the ceiling prices for cotton machine knitting yarns. Prices prevailing from Sept. 15 to Oct. 11, 1941, are the ceilings for cotton yarn other than cotton machine knitting yarn. Prices prevailing for cotton cloth during February, 1941, are the ceilings for cotton cloth except of those varieties for which ceilings have been otherwise established. Sales to the Department of Munitions and Supply or to a contractor manufacturing for that Department, and sales of goods for export, are exempt from the ceiling prices. The Order comes into effect Dec. 1. Adm. of Cotton, J. H. F. Turner

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CAST IRON BATHTUBS. W.P.T.B. Order A-361, Aug. 27. After Nov. 1, no person may manufacture any built-in patterns of cast iron enamel bathtubs. Written permission is required to manufacture any other type of cast iron enamel bathtub, and where this permission is granted the bathtubs must conform to specified sizes. Adm. of Heating, E. J. Laidlaw.

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TRANSFORMERS. W.P.T.B. Order A-327, Aug. 28, regulates the manufacture and sale of distribution and power transformers. Adm. of Electrical Apparatus, W. E. Ross.

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LAUNDERERS AND CLEANERS. W.P.T.B. order A-362, Aug. 28, amends the regulations for launderers, cleaners and dyers in British Columbia. Adm. of Services, James Stewart.

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PERIODICALS. W.P.T.B. Order A-364, Aug. 28, revokes an earlier order and eliminates the ceiling on the price of newspapers, magazines and periodicals. Adm. of Publishing, John Atkins.

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USE OF METALS. W.P.T.B. order A-367, Aug. 29, prohibits the use of metals in a long list of articles unless written permission has been obtained from the Co-ordinator. Co-ordinator of Metals, D. P. Cruikshank.

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OAK FLOORING. W.P.T.B. order A-369, Aug. 31, fixes maximum retail prices for oak flooring. Timber Adm., A. S. Nicholson.

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OAK FLOORING. W.P.T.B. order A-368, Aug. 31, fixes maximum prices for oak flooring sold by manufacturers or wholesalers. Timber Adm., A. S. Nicholson.

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PENCILS AND PEN HOLDERS. W.P.T.B. order A-371, Sept. 1, limits the styles in which wooden pencils and pen holders may be manufactured. Making pencils with crude rubber erasers or metal ferrules is prohibited as is the making of pencils with fancy finishes. Pen holders are limited to ten styles. Adm. of Sundry Items, G. P. Sabiston.

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PROCESS CHEESE. W.P.T.B. order A-372, Sept. 2, fixes the maximum prices at which manufacturers, wholesalers and retailers may sell process or emulsified cheese. Foods Adm., J. G. Taggart.

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METAL WINDOWS. W.P.T.B. order A-373, Sept. 3, prohibits the manufacture or sale of metal windows without written authority. Adm. of Fabricated Steel, H. H. Foreman.

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WIRE SCREEN CLOTH. W.P.T.B. order A-374, Sept. 3, restricts the type and widths of wire screen cloth which may be manufactured, and limits production to 60% of what it was in the previous 12 months.

* * *

CONTAINERS FOR PAINT. W.P.T.B. order A-375, Sept. 3, amends earlier orders as to the size of containers for paint and varnish. Adm. of Fabricated Steel, H. H. Foreman.

* * *

BEDDING EQUIPMENT. W.P.T.B. order A-376, Sept. 4, limits the number of designs in which bed springs, inner spring mattresses, covering for inner spring mattresses, metal beds and cribs, folding beds and cots and studio couches may be manufactured. Adm. of Supplies, A. H. Wiliamson.

Tax Situation Clarified On Employee Earnings

With definite rulings now available from the income tax authorities on a number of points that have been puzzling employers, the situation on tax deductions is considerably clearer.

Policy to be pursued in making income tax deductions from salary or wages at the source, in certain cases, has been defined as follows:

A soldier's wife is allowed to deduct her husband's life insurance premiums where she is herself earning a taxable income and actually pays the premiums on her husband's life insurance, provided such insurance was in force prior to June 23, 1942.

When an employee is buying a house, down payments will be recognized as an offset against the refundable or compulsory savings portion of the income taxes payable. The position taken is that these are undoubtedly paid under an agreement for sale with respect to one residential property of the taxpayer, provided the agreement for sale was registered or in effect before June 23, 1942, or if not registered was, to the satisfaction of the minister, in effect as an enforceable obligation of the taxpayer before the date mentioned.

In the case of an employer having a number of temporary employees such as high school students, it was formerly understood that if the employer was satisfied the employee would not make more than $660 in the year it would not be necessary to make deductions from salary. It has now been ruled that these deductions must be made each week according to the table of deductions.

Where earnings fluctuate from week to week with a man earning, say $12 one week and $60 the next, it is not correct to average the man's earnings and make deductions accordingly. Deductions must be made on the man's actual weekly pay according to the table of deductions supplied, adjustments to be made later.

Bonuses must be included with salaries and wages as part of an employee's income and accordingly are subject to income tax deductions.

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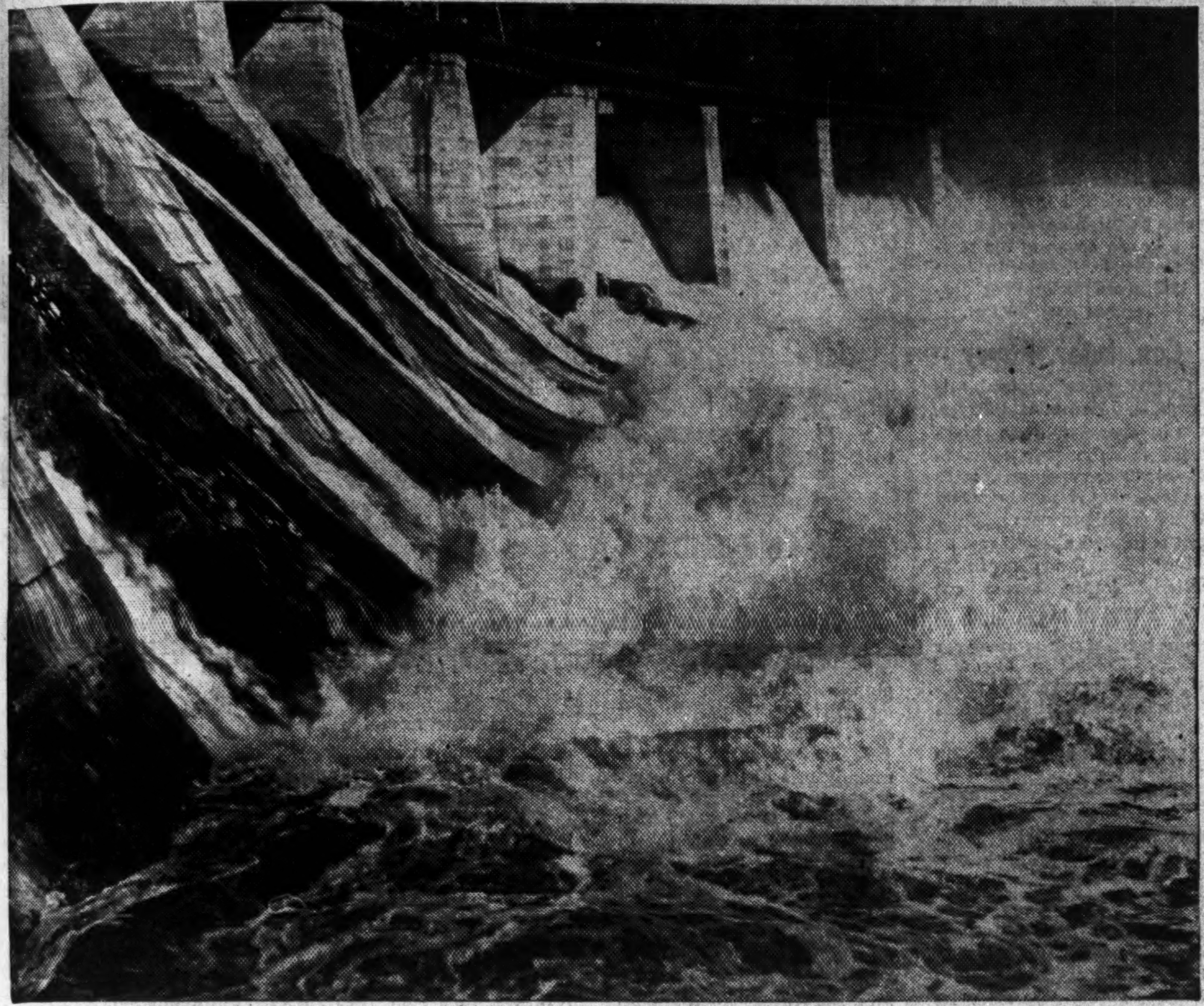
War's New Challenge To Pulp and Paper



War Needs its Hydro Power

War Needs its Manpower

So Government steps in to solve the readjustment of Canada's biggest industry

By JOHN E. LANGDON

Canada's wartime economy is closing in on the pulp and paper industry.

Highly important changes in the making will reorientate the industry for the furtherance of the Dominion's war effort. By the end of this year pulp and paper production will be controlled and co-ordinated by the government.

Two factors combine to bring about the changes. One is the urgent need for more men for war industries and the armed services. The other, equally important, is the necessity of diverting part of the power now used in pulp and paper manufacturing to the production of munitions and other war materials.

These two needs are the principal influences which will bear upon the industry's activity for the duration of the war.

Supplementing them are the increasing difficulties in securing adequate transportation facilities—rail, shipping and highway—and the growing scarcity of supplies.

Problems Are Big

The changes in prospect are of tremendous import. Not all branches of the industry will be directly affected, but certainly the major division — newsprint — will have to cut its cloth closely in order to meet market demands and at the same time, release men and power for more direct war needs.

Some mills may have to close down temporarily. Tonnage may have to be allocated to those plants not directly affected. The shifting of labor and the readjustment of marketing arrangements, involve problems of the first magnitude.

Every effort will have to be made to maintain stability as far as is possible. This will mean not only closer co-ordination of activities within the industry, but more or less direct quasi-government control of certain divisions. Readjustment will have to be accomplished at a time when demand for newsprint appears to be slackening.

A Vital Part

For three years now the industry has played a vital part in Canada's war effort—a role probably greater than it was in peacetime when the production of pulp and paper constituted Canada's greatest manufacturing activity.

Since the outbreak of war the industry's foreign trade has provided the Dominion with more exchange than any other industry. Most of this has been in the form of U. S. dollars which has helped Canada to maintain her balance of international payments.

Principally because it was a source of U. S. credits, the government classified pulp and paper as an essential industry. The exchange derived from sale of pulp and paper is still important in Canada's financial programme, but the Hyde Park agreement solves the exchange problem and the industry has become less essential from this point of view.

With the elimination of the Scandinavian countries as a competitor in international pulp and paper trade, Canada has become the principal, in many cases the sole, source of supply.

The responsibility has been ably met by the industry. Functioning of a free press throughout the free world (with the exception of the United States where the domestic supply is equal to about one third of requirements) has been possible through deliveries of Canadian newsprint.

The industry has contributed in other ways. War conditions have greatly increased the government's requirements for paper. Thousands of tons of paper have been specially made for Victory Loans, war savings campaigns, recruiting, rationing, etc.

Record quantities of pulp have been turned out for processing into explosives, rayon and other articles directly used in the war effort. Pulp has been supplied for making paper and other products in British and Empire plants.

Huge quantities of board have been shipped to Britain to provide temporary shelters in bombed out areas. As much, if not more, has been used in the creation of camps for the armed forces, building airports.

The supply and demand situation is somewhat mixed. Newsprint shipments have dropped to a point where only about two thirds of the manufacturing capacity is employed. No particular improvement is looked for. In fact indications are that next year consumption of Canadian newsprint will be well under the high level set in 1941.

Fine paper and specialty paper producers have now got the upper hand of their particular market. Demand is still at a high level but there is no danger of a shortage.

Pulp sales continue at a high level. High grades of pulp for explosives and rayons are just as urgently needed as ever.

Insulating and rigid board manufacturers have not experienced any particular let-up in the use of their products.

Boxboards for shipping containers are still needed in huge quantities for packaging munitions and other war supplies.

While less productive capacity is in use, the question of whether or not supplies will equal demand in the months ahead, depends for an answer on what manpower, materials, power and transportation will be available.

At this stage it is doubtful if the industry will be in a position to produce on the same tremendous scale in the next 12 months as has been the case in the past year.

The need for limiting the use of pulp and paper to essentials has not lessened. It may become even more necessary depending upon the degree to which the industry is asked to contribute men and power.

The furtherance of the war effort has been the basis of the industry's wartime policy. With a practical monopoly of the whole democratic world's pulp and paper trade, the operators have scrupulously refrained from taking advantage of their unusual position.

Despite this conservative marketing policy, the manufacturers' earning power has been greatly increased through the record rise in production.

Newsprint production advanced from 2.6 million tons in 1938 to over 3.4 million tons last year.

During the last five years board mills increased their output from 364,000 to just over 500,000 tons—an all-time record.

Production and shipments of fine papers in 1941 increased 8.9% and 12.6%, respectively, over the preceding year which, in turn, was one of the best ever experienced.

Chemical pulp exports in 1941 passed the 1.1 million ton mark. This represented an increase of 30% over the previous year and was more than 100% higher than in 1938 or 1939.

Kraft paper and light weight paper specialties recorded exceptionally large increases last year. Kraft wrapping paper output was 23.5% above the 139,716 tons produced in 1940.

Paperboard production was nearly 460,000 tons, compared with 417,000 tons in 1940 and 357,000 tons in 1939.

Coming on top of the above-average years in 1940 and 1939, the result has been a marked strengthening in the finances of all the operators.

Bank loans, deferred interest and other charges which used to weigh heavily around the necks of the manufacturers have been liquidated.

In a few cases dividends have been paid on senior stock issues. The companies have tended to conserve their profits to strengthen working capital.

The manufacturers have followed this policy knowing that when the war is over, they will have extremely stiff competition in maintaining their position.

Of immediate concern to the manufacturers is the necessity of a strong cash position as protection against wartime conditions. The wisdom of this is fully apparent in the freezing of prices, rise in transportation costs and other charges.

Lower Profit Trend

The problem of meeting higher costs and taxation, together with restrictive measures influencing the volume of output, will tend to lower the margin of profit in the months ahead. Particularly is this likely to be the case in the newsprint division, but other sections will not be unaffected.

Earning power will, in all likelihood, be influenced adversely by the tightening war economy. It is hardly to be expected that the transfer of labor to war industries and the limitation of power deliveries, together with the other factors mentioned, will permit the industry to maintain earnings at the level of the past three years.

Canada's Pulp Furthers War Effort

Makes Up One Out of Every Three Tons of Pulp and Paper Exported

With chemical pulp vital in the war effort and groundwood pulp required for essential needs, a market exists for every ton of pulp that can be produced in Canadian mills.

While newsprint has "hogged the limelight" for many years as the principal pulp and paper product produced and exported from Canada, it is sometimes forgotten that pulp holds a highly important place in Canada's trade.

For every two tons of paper exported from the Dominion, almost one ton of pulp moves out of the country. Further, because pulp values are higher than for newsprint, the value of this trade falls not far short of that for newsprint.

Because of wartime restrictions it is not possible to provide precise details as to how the pulp industry in Canada is faring.

Ever since the outbreak of war all chemical pulp capacity in Canada has been fully employed. The same applies to groundwood pulp, though to a lesser degree, and the overall production holds at the record level established in 1944.

Total exports of chemical pulps last year amounted to 1,124,577 tons. This represents an increase of 30% over the preceding year, which in turn recorded a gain in exports of 61% over 1939.

These 1941 exports had an aggregate value of about $76 millions, of which by far the major part was United States funds. This compares with $55 millions for 1940.

In addition to chemical pulp, Canadian mills exported to the United States in 1941 over 200,000 tons of groundwood pulp. Further, there were large shipments to Britain and other parts of the Empire, so that it is estimated Canada's pulp trade in 1941 amounted to close onto 1.4 million tons, an increase of roughly 40% over that reported for 1940.

Britain First

As a result of this close co-relation of production facilities—all on a purely voluntary basis—chemical pulp manufacturers in this country were able to report an increase of 40% in the volume of shipments to the United Kingdom in 1941.

The United Kingdom's wood pulp requirements are now about 24% of the prewar level. Canada and Newfoundland are supplying about two thirds of the reduced requirements, with the rest coming from the United States.

Virtually every Canadian company holds British contracts. In addition to contract tonnages, Canada is called upon from time to time to supply urgent, unexpected needs arising from emergencies, all of which have been met.

While meeting the requirements of the U. K., Canadian chemical and groundwood pulp producers have and are doing a notable job in connection with the demands from the United States.

At present Canada and Newfoundland are the only sources of outside supply available to the United States.

Last year the United States imported 1,145,000 tons of pulp. Of this quantity some 13,210 tons came from Finland, otherwise the U. S. depended wholly upon Canada and Newfoundland to supplement the domestic sources of supply.

In predepression days the United States bought from Canada and Newfoundland about 750,000 tons of all types of pulp annually.

During the depression period purchases dropped sharply and reached a low point of 425,326 tons in 1932.

Last year total pulp imports into the United States from Canada and Newfoundland aggregated 1,131,790 tons. This was almost double the amount imported from the same sources in 1939.

Despite the sharp advance in sales of Canadian pulp, contract prices have shown no major change over the past two years.

Earlier this year a move was under way to secure a more equitable price for chemical pulp. The claim was advanced that increased costs of wood, labor, supplies, taxes, justified a higher price. The matter was taken under consideration by the Office of Price Administration in the United States. After some weeks of study it was ruled the price would remain unchanged. However, at the same time adjustments were made in the price of groundwood pulp, which have proved of material benefit to Canadian producers.

There are a number of major pulp producers in Canada. In addition, there are a number of marginal producers, such as the newsprint companies.

Because of more efficient processes in the manufacture of newsprint paper, a substantial excess of capacity for producing news grade unbleached sulphite pulp, one of the constituents of newsprint paper, has been available for the pulp market. Consumption of this grade of chemical pulp, except for manufacture of newsprint paper, is limited.

Marginal Producers

During the early part of 1941 a number of newsprint manufacturers were actively interested in the pulp market. When they undertook the manufacture of kraft substitutes, the majority of these companies withdrew from the pulp market as their pulp-making capacity was fully employed.

Contingent upon the availability of manpower, hydro power and materials, these newsprint operators may reenter the pulp field in a larger way. Their newsprint capacity is now only about two thirds employed so that conditions permitting, they could place fairly substantial pulp tonnage on the market.

Aside from the marginal producers there are a score or more Canadian companies regularly producing pulp for sale. Those who depend wholly, or at least for the major part of their income, upon pulp operations, number less than a dozen. This list does not, of course, include companies like Abitibi Power and Paper or Canadian International Paper, which have plants devoted solely to the production of sulphite pulp.

Of these 10 companies which may be classified as primary pulp operators, three are located in the Maritimes, four in Quebec, two in Ontario and one in British Columbia.

Abitibi

Abitibi Power & Paper Co., though primarily a newsprint operator, is an important Ontario sulphite pulp producer.

The greater part of the company's revenues are obtained from the sale of newsprint, but operations of its bleached sulphite and groundwood pulp divisions provide an important source of revenue.

During the first half of 1942 shipments of bleached sulphite amounted to 60,792 tons. This figure includes a certain proportion of groundwood pulp and compares with a bleached sulphite figure of 40,014 tons for the first six months of 1941.

During all of 1941 the company produced 91,437 tons of bleached sulphite, as against 73,971 tons in 1940 and 45,819 tons in 1939.

Revenue from the sale of pulp is not broken down in returns of the company, but inasmuch as the sale of bleached sulphite amounts to approximately one fifth of the newsprint tonnage, it may be assumed pulp contributes an equal proportion of all revenues which, in 1941, amounted to $25.8 millions.

B. C. Pulp

Out on the Pacific coast, British Columbia Pulp & Paper Co.'s $750,000 expansion programme, authorized by the Canadian government last year, is now in the final stages.

Extensions and improvements at Woodfibre are completed, but the Port Alice job will take another two or three months. The project has been delayed by difficulty in obtaining equipment and materials, although it was facilitated to some extent by the fact that some of the larger units required were already in use at other plants and did not represent new manufacture.

The extensions at Port Alice and Woodfibre are expected to increase production of bleached sulphite about 50 tons between the two plants, giving a total output of 400 tons daily.

Position of B. C. Pulp has undergone a marked change for the better since the outbreak of war. The demand for pulp has been exceptionally heavy and operating profits of the company have shown a marked increase, amounting to $3.3 millions in 1941, as against less than $500,000 in 1939. Net working capital has been built up to nearly $1 million; arrears of interest on the first mortgage bonds liquidated, and the general mortgage bonds put on a paying basis. The latter, however, are still in arrears six coupons. The company also has reduced its first mortgage debt by $335,000 since the outbreak of war.

In addition to these regular pulp producers, there are a number of other operators who figure prominently in the pulp market, though their major operations are in other fields.

Brown Corp.

Brown Corp., Canadian subsidiary of Brown Co. operating at La Tuque, ranks as one of the major pulp producing units in Quebec.

The La Tuque plant is designed to produce around 310 tons daily of high quality sulphite pulp. Operations have been on a large scale for some time.

Since commencement of the war, capacity operations have been the rule and it is anticipated sales will be stepped up on completion of the present development programme. A substantial capital outlay has already been made in improving the wood handling facilities but expansion of the mill itself was deferred pending the complete reorganization of the parent company.

Brown Corp. naturally is involved in the financial affairs of the parent concern, whose plan of reorganization was approved late last fall.

The Brown Co. started on the new phase of its career under extremely favorable auspices. Due to improved conditions in the past two years, the enterprise has been able to substantially better working capital. At present the latter is about equal to the par value of the general mortgage bonds distributed to security holders, under the terms of the reorganization plan.

After giving effect to consummation of the plan and receipt of the $4.5 millions loan from the Reconstruction Finance Corp., consolidated current assets of the company and its subsidiaries, before making provision for fees and expenses to be approved by the court and the R. F. C., exceeded consolidated current liabilities by $12.6 millions. Further, the company had no other liabilities except on account of the R. F. C. loan and new general mortgage bonds.

Since the beginning of the current fiscal year, the R. F. C. loan has been reduced by the repayment of $1¾ million.

During the year ended Nov. 30 last the company had net sales of $32.2 millions, as contrasted with $25 millions the year before. Net profits from all charges including bond interest and taxes, amounted to $3 millions, as against less than $700,000 in 1940.

Due to the general improvement in the position of the company, initial interest payments on the 5% general mortgage bonds, covering the period from Dec. 1, 1939, to June 1, 1940, were made to registered holders on Aug. 20 last.

Can. Inter. Paper

One of these companies is Canadian International Paper, which operates three high-grade sulphite pulp mills in Quebec. Two rayon pulp mills are located at Hawkesbury and Kipawa, while a new sulphite mill is located at Gatineau.

Last year Canadian International Paper turned out 123,772 tons of rayon pulp, as against 130,314 tons the year before. Production of other sulphite pulp amounted to 107,046 tons, as against 85,130 tons in 1940.

The sulphite pulp production includes tonnage shipped to the company's northern United States mills for their own use, amounting to 66,394 tons in 1941 and 53,961 tons in 1940.

Consolidated

Consolidated Paper Corp. is another newsprint company which ranks as an important operator in the pulp field. Its Port Alfred mill has a surplus capacity of 100 tons of sulphite pulp daily, while the Wayagamack division has available for sale 130 tons of sulphate pulp.

The surplus pulp capacity is roughly 10% of that for newsprint and other paper grades. Particulars of income from pulp operations are not shown separately in the company's report.

Other Producers

Lake St. John Power & Paper Co.'s mill at Dolbeau, P.Q., has surplus sulphite pulp for sale. Its capacity amounts to 12,000 tons of air-dried pulp annually.

The revenue from the sale of this pulp is an increasingly important factor in the income of the company, due to the falling off in the sales of newsprint paper.

In addition to these companies, there are a number of other newsprint and fine paper manufacturers which have a small surplus of pulp for sale as market conditions warrant. However, as a rule, they are not interested in this market when the demand for their regular line of products permits of a high rate of operations.

Fraser Cos.

Fraser Companies directly and through its subsidiaries, is by far the most important pulp operator in the Maritime provinces. It is one of the two most important sources of high-grade rayon pulp.

Operations of this company are threefold—pulp, paper and

(Continued on page 17)

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The sturdy handle of the axe wielded by the early pioneer in clearing a homesite out of virgin forests was a definite instrument of progress.

Wherever work is being done the "handle" directs the blow of the hammer and the axe. Deep in the galleries of gold mines . . . on great waterways where ships are being built . . . in the forest with its lumbering operations . . . rising homes and factories . . . building of great highways . . . mammoth industrial developments — here you'll find our sound tool "handles" that give expression to the progressive works of mankind.

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FOUR CORNERSTONES
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WHITE HUSKY*
(Albelized Cellate Pulp)
Gives paper the brightness of the best sulphite and the strength of rugged kraft.
MADE FROM NORTHERN SPRUCE
A CELLULOSE PRODUCT OF BROWN CORPORATION
QUALITY

SOLKA*
PUREST FORM OF WOOD CELLULOSE
A group of premium fibres — pure, strong, durable — for the finest quality papers.
MADE FROM NORTHERN SPRUCE
A CELLULOSE PRODUCT OF BROWN CORPORATION
QUALITY

DUR-ALBA*
(Hardwood sulphite)
A short, high white, bulky fibre for superfine papers or blending with longer, stronger pulps to improve formation, finish, watermark, bulk and opacity.
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REGULAR LA TUQUE SULPHATE
The highest quality No. 1 spruce kraft pulp. It combines extra strength with light color and extreme flexibility.
MADE FROM NORTHERN SPRUCE
A CELLULOSE PRODUCT OF BROWN CORPORATION
QUALITY

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Brown Corporation's four basic pulps with their specialized subdivisions offer paper manufacturers an opportunity to select the exact fibre or blend of fibres required for all types of high grade papers.

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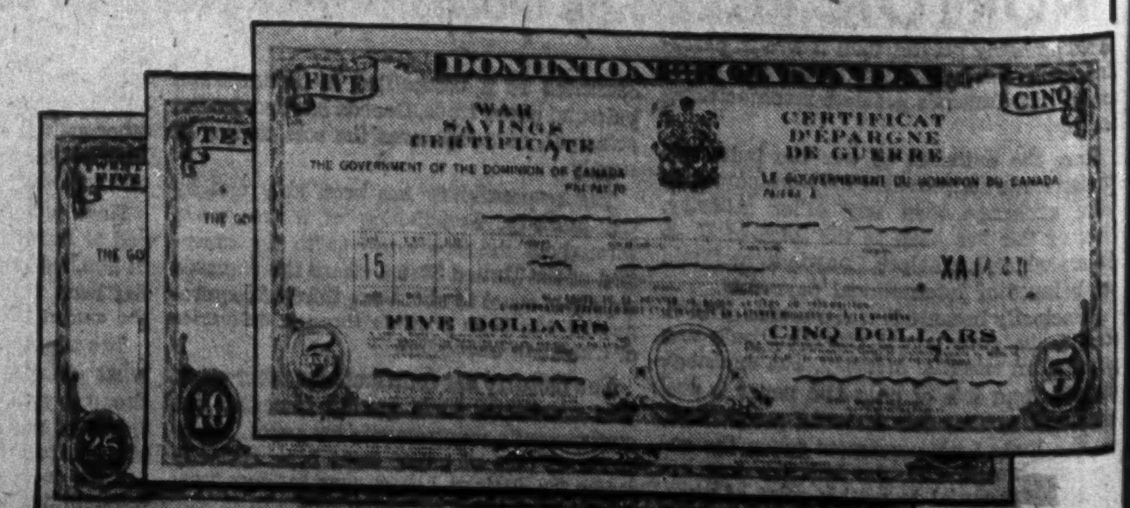
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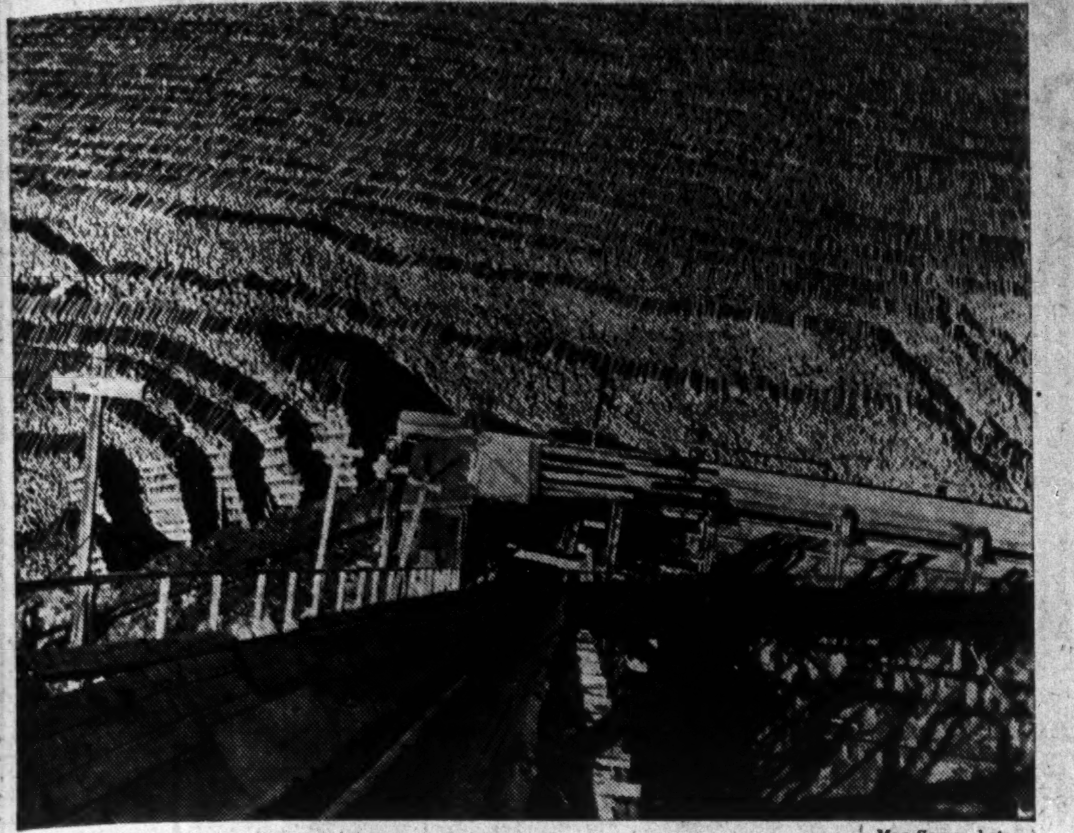
Canada's Pulp Furthers War Effort



—Max Sauer photo.

Great stocks of pulpwood such as shown here help to meet the demands of all-out war. For the ever-expanding demands of the United Nations the Canadian pulp and paper industry performs a vital function, for, from raw pulpwood there comes a myriad of wartime necessities. To help sustain Canada's own war effort the industry brings in nearly a quarter of a billion dollars of U. S. exchange annually.

(Continued from page 16)

lumber, providing employment for a large number of workers.

Last year output showed a substantial increase over 1940. While no figures have been released by the management, the increase in earnings would indicate production was of record proportions.

Net revenue from all sources amounted to $5.1 millions compared with $3.2 millions in the previous year. Net profit before income and excess profits taxes totalled $2.4 millions compared with less than $700,000 in 1940. Pending a decision by the board of referees on claims for adjustment of standard profits, it was found impossible to determine the actual excess profits taxes. A tentative provision of $2 millions for taxes was set up, this provision being transferred from surplus rather than from the income account of the year.

The increased production last year is further reflected in the balance sheet. Fixed liabilities declined in 1941 by $2.4 millions, including payment in full of the $1.2 millions special loan of Fraser Companies, the purchase of $789,500 principal amount of Fraser Co. bonds, and $418,500 principal amount of Restigouche Co. bonds.

To date this year activity has been well-maintained. There has been no let-up in demand for pulp and paper. On the other hand, the movement of lumber has not been as good as a year ago, due to the difficulty in securing shipping space.

Reflecting the better demand for pulp, the company has been granted special tax assistance by the Dominion government on the grounds that the company would undertake a $185,000 programme to increase production of sulphite pulp from 4,000 to 7,000 tons a year, and increase trade with the United States by $225,000 annually.

It would appear at this time that operations and earnings for 1942 will not better those reported for 1941. Pulp production and sales are not expected to show any falling off from capacity. Sales of the Madawaska paper mill, which up to date have been limited only by machine capacity, may tend to fall off in line with the general trend which prevails in the United States. The lumber situation is very volatile and results from this division cannot be forecast with any degree of accuracy.

Gaspesia Pulp

Operations of Gaspesia Sulphite Co., control of which is held by interests closely identified with Anglo-Newfoundland Development Co., continue close to effective capacity. This company is turning out a high grade unbleached sulphite pulp designed for the requirements of the United States market.

No official information is available on sales or earnings. The company is financed privately by the so-called "Rothermere Group" which acquired the property about the end of 1936. Previously, the plant, which is located at Chandler, P.Q., had been idle for a number of years.

Anglo-Newfoundland Development Co., one of Rothermere enterprises, has a substantial investment interest in this unit.

Lake Sulphite

Lake Sulphite Pulp Co.'s affairs have been finally cleaned up. Earlier this year Brompton Pulp & Paper Co. made an offer for purchase of the assets. This met with the approval of the liquidator and, in turn, was approved by the Ontario Supreme Court.

The Brompton offer amounted to $1 million. Of this sum $50,000 in cash will be available for unsecured creditors, equivalent to about 10 cents on the dollar of their claims.

A total of $500,000 of second mortgage debentures will go to secured creditors. This includes claims of $1¼ million of noteholders and $350,000 of lien holders and means they will get about 30 cents on the dollar.

The balance of $450,000 will be used to cover obligations of the receiver and special claims imposed under terms of the offer.

Since receiving court approval of its offer, Brompton has announced that because of its inability to secure equipment, etc., plans for the rehabilitation of the Red Rock mill have been deferred, probably for the duration.

Minas Basin Pulp

Minas Basin Pulp & Power Co. operates a pulp plant at Hantsport, N.S. It has one of the few remaining pulp units in the Dominion devoted exclusively to the production of groundwood pulp.

All of the company's first grade groundwood is sold under long-term contract to the Scott Paper Co. in the United States. Screenings are turned over to the Canadian Keyes Fibre Co., a subsidiary, and converted into molded pie plates.

Last year the pulp mill turned out 23,855 tons of air-dried pulp for Scott Paper Co. and 1,683 tons of screenings. Canadian Keyes Fibre stepped up output to 110,000 articles a day.

In addition to the manufacture of pulp and molded pulp products, Minas Basin also is interested in the operation of its own power supply, the cutting and the marketing of lumber and operation of a shipping company.

Minas Basin Shipping operated continuously throughout the past year. The lumber business has not been as active of late, due to the difficulty in securing shipping for export to Britain.

Gross income from all sources in 1941 totalled just over $800,000. After provision for all charges, $47,659 was carried forward to profit and loss account before making provision for federal taxes.

Currently earnings are holding up satisfactorily so it is difficult to say how net income will compare with 1941 due to the increase in taxation.

Port Royal Pulp

New Brunswick's second pulp mill at Fairville, N.B., is operated by the Port Royal Pulp & Paper Co.

Production is confined to a high-grade sulphite pulp, demand for which has been such over the last two years that operations have been conducted at capacity.

At present about one half the entire output finds its way to the United Kingdom and balance to the United States.

No financial statements are made public by the company, but the improvement in earning power is indicated by the manner in which it has been able to reduce bonded debt. On June 1 last, $40,000 of serial bonds were paid off, leaving a balance of only $25,000. It is expected this part of the company's debt structure will be liquidated before the end of the current year. Still outstanding is the mortgage advance of $200,000 made by the provincial government.

Quebec Pulp

Quebec Pulp & Paper Corp. has extensive timber limits and water power in the Saguenay, as well as a plant at Chicoutimi, P.Q. The latter has been inoperative for some time. However, the machine shop facilities at Chicoutimi are being utilized on the "Bits and Pieces" programme being carried out by the Canadian Pulp & Paper Association.

Control of the company is held jointly by Consolidated Paper Corp. and Price Bros. Co. There is a fairly wide investment interest in the preferred stock. Little or no revenue has been reported for many years, and the management is concerned primarily with conserving the company's assets.

Negotiations between interested parties in the Quebec Pulp & Paper Corp. situation continue and it appears that something concrete may be achieved in the near future. A recent development, it is understood, has been a request by the provincial government to Consolidated Paper Corp. and Price Bros., which jointly hold all the outstanding common shares of the corporation to turn over such shares to the provincial government, which is a creditor of the corporation in the amount of about $1,800,000.

Pending the outcome of the negotiations on which the provincial government, the two shareholders and Aluminum Co. are now engaged, it is stated that the preferred shareholders protective committee has again agreed to defer any winding-up proceedings against the corporation.

Restigouche

Restigouche Co., owned by Fraser Companies, manufactures a high-grade bleached sulphite pulp at its Athol, N.B., plant. This unit has a capacity of 185 tons daily and was constructed in 1930 at a cost of $4.5 millions.

No financial statement has been issued by the company since 1939. However, the improvement of the company's position is reflected in the fact that since then the bonded debt has been reduced by $575,000.

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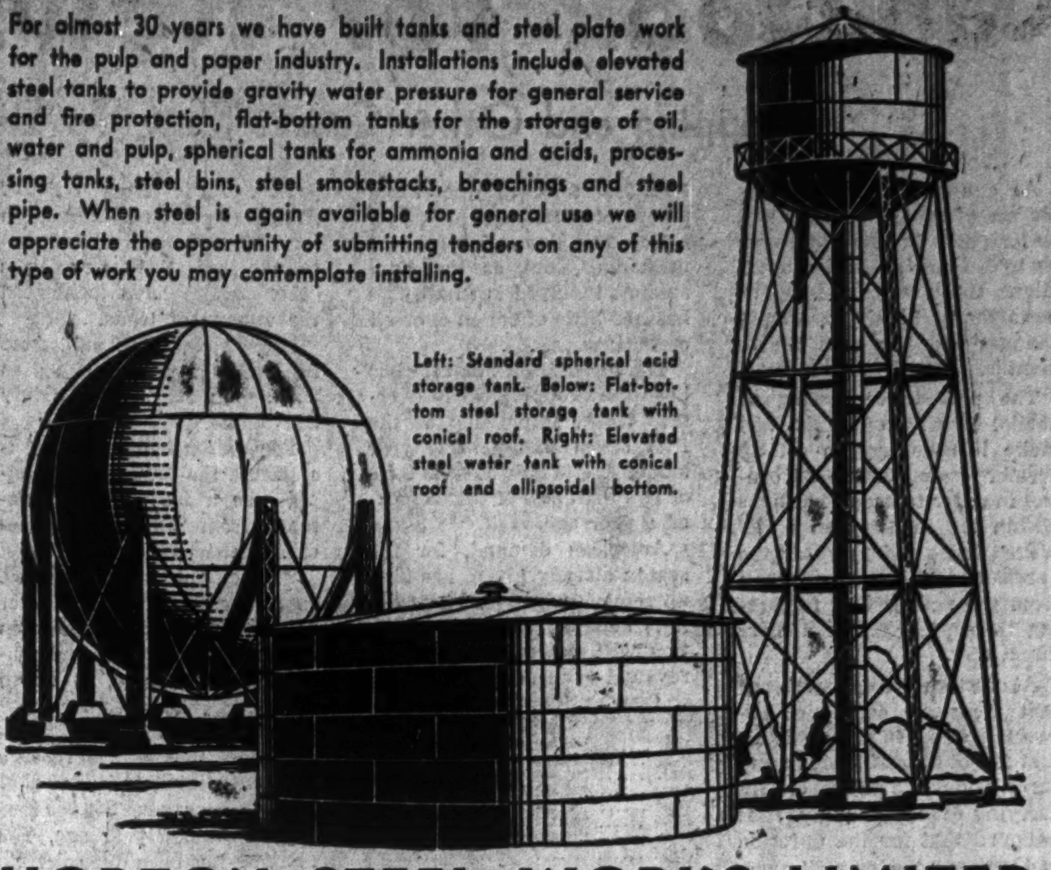
For almost 30 years we have built tanks and steel plate work for the pulp and paper industry. Installations include elevated steel tanks to provide gravity water pressure for general service and fire protection, flat-bottom tanks for the storage of oil, water and pulp, spherical tanks for ammonia and acids, processing tanks, steel bins, steel smokestacks, breechings and steel pipe. When steel is again available for general use we will appreciate the opportunity of submitting tenders on any of this type of work you may contemplate installing.



Left: Standard spherical acid storage tank. Below: Flat-bottom steel storage tank with conical roof. Right: Elevated steel water tank with conical roof and ellipsoidal bottom.

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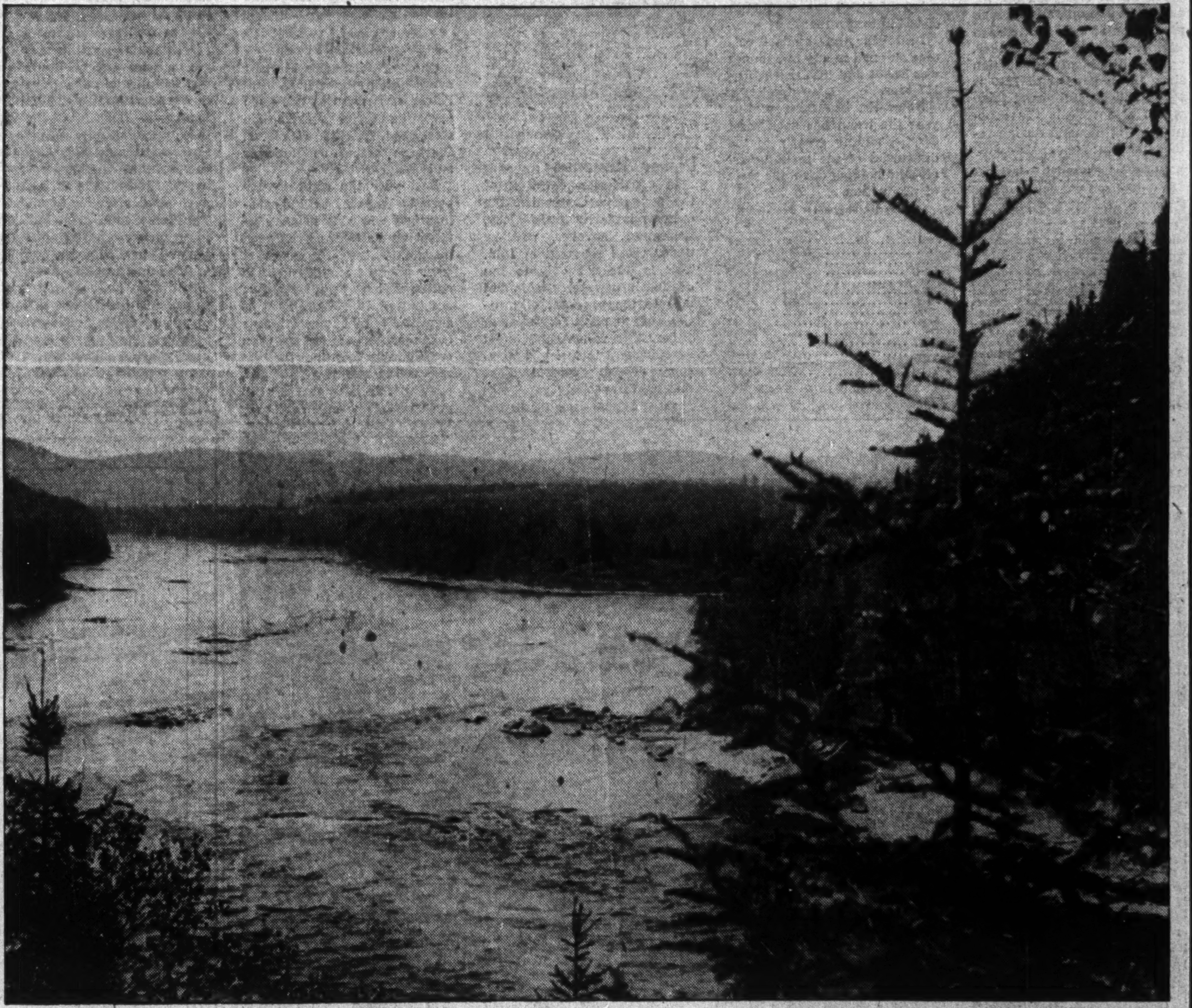

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Forests are nature's reservoirs

They maintain a continuous flow in the rivers throughout the year, which makes possible a steady supply of hydro-electric power for industrial and other uses.

Proper conservation, which includes fire prevention and systematic reforestation, will produce successive harvests from the forests, and at the same time will assure their survival for future generations.

Let us all bear our full share of responsibility in protecting this priceless heritage, for the economic future of Canada depends upon strict adherence to a policy of forest preservation on the part of every Canadian.

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Outlook for Newsprint

Shipping and Other Causes Slow Up Demand

As one of the largest employers of industrial labor and by long odds the principal user of hydro power in its operations, the newsprint industry faces many highly important changes over the next twelve months.

The prospective closing or partial closing of mills will make it necessary to set up greater centralization of control in order to keep conditions within the industry on a stabilized basis and to lessen the hardships which may result from the necessity of furthering the war effort in a more direct way.

At one time it was considered that a reserve supply of between 35 and 40 days was all that the U. S. publishers had to carry. Today the publishers are carrying 67 days' supply. It is believed that for the duration of the war, reserves will average at least 60 days' supply.

To the end of July Canadian mills produced 1,899,352 tons. This contrasts with 1,914,617 tons for the like period of 1941.

Mill operations have averaged around 75% of capacity for the seven month period and for the whole year are likely to average not more than 70%. During 1941 mill operating ratio was 78.9%.

For all of last year the industry set a comparatively high production of 3,425,865 tons, as against 3,418,803 tons in 1940.

The trend of production since the beginning of 1940 is set out in the following table which also reveals the dropping off in demand during recent months:

Canadian Newsprint Output

	Tons 1942	1941	1940
Jan.	311,904	261,298	251,032
Feb.	278,101	245,607	231,823
Mar.	295,835	275,769	251,279
Apr.	277,741	279,996	268,947
May	251,831	284,767	323,563
June	242,762	273,697	315,343
July	241,178	293,483	332,689
Aug.	......	293,054	316,607
Sept.	......	298,276	282,322
Oct.	......	318,787	309,957
Nov.	......	300,308	282,344
Dec.	......	300,823	252,897
Total	......	3,425,865	3,418,803

Shipments this year have closely paralleled output. To the end of July they totalled 1,866,477 tons, compared with 1,907,843 tons in the same period of 1941.

Domestic demand continued unchanged, but as the total amount involved is small, this has had little effect on over-all operations.

The big setback this year has been the dropping off in overseas trade, shipments for the first seven months this year amounting to only 128,642 tons, or less than half of that reported a year ago.

American demand, for the reason already given, has held up remarkably well. However, it is believed that this condition will, before long, show a reversal of trend.

Canadian Newsprint Shipments

	Tons 1942	1941	1940
Jan.	291,998	243,394	244,273
Feb.	264,621	239,745	211,322
Mar.	308,166	265,724	235,304
Apr.	238,346	285,789	267,134
May	266,443	291,112	334,441
June	253,283	281,843	338,446
July	243,620	300,236	337,508
Aug.	......	296,985	332,234
Sept.	......	305,010	284,133
Oct.	......	304,685	287,943
Nov.	......	320,860	286,739
Dec.	......	319,282	276,457
Total	......	3,454,665	3,435,934

Shipping a Factor

It is only when the figures on overseas trade are examined separately, is there a realization of what the lack of shipping has meant to the Canadian newsprint industry.

During the current year shipments have ranged from a low of 11,101 tons to a high of 25,215 tons a month.

Last year the smallest volume shipped in any one month was 32,664 and the largest, 51,117 tons.

Since the beginning of this year the trend has been most erratic, adding greatly to the difficulties of the manufacturers, and holding down the scale of production.

Newsprint Shipments Overseas

	1942 Tons	1941
Jan.	16,820	36,659
Feb.	21,209	39,920
Mar.	23,429	36,772
April	12,122	42,002
May	18,746	32,664
June	11,101	34,115
July	25,215	51,053
Aug.	......	51,117
Sept.	......	49,697
Oct.	......	38,662
Nov.	......	39,741
Dec.	......	35,495
Total	......	487,897

The decline in overseas demand and shipments was expected. Aside from lack of shipping space, restrictions on size of newspapers and exchange limitations, as well as other factors have influenced the volume of trade.

Buying by U. S. publishers has kept Canadian production and shipments on a relatively high plane.

For reasons mentioned it is expected the industry will experience a falling off in demand from the United States during the coming year.

The extent of the decline cannot be appraised until later on. Meanwhile the manner in which stocks of U. S. publishers have increased, is worth noting.

At the end of July the apparent North American reserve of newsprint totalled 908,334 tons. This was over 200,000 tons greater than a year ago. The increase has been due solely to heavier stocks held by the publishers, as mill stocks have been held down.

These stocks, which are set out in the table below, will probably increase close to the million ton mark if the usual seasonal trend is observed. Ordinarily the manufacturers take advantage of the open season of navigation to build up publishers stocks so as to save on the rail haul.

North American Newsprint Stocks

	Tons 1942	1941	1940
Jan.	798,079	709,223	713,162
Feb.	853,893	710,582	720,453
Mar.	877,285	696,222	686,299
Apr.	904,869	672,640	665,375
May	898,213	670,472	657,457
June	903,529	672,333	661,056
July	908,334	707,886	717,610
Aug.	......	731,609	763,245
Sept.	......	744,959	757,057
Oct.	......	755,276	759,140
Nov.	......	745,349	751,645
Dec.	......	722,265	703,327

Lower Revenues

In considering earnings of the newsprint companies, the outlook is fairly satisfactory. Revenues, however, will be under those reported in 1941. This is due not only to the decline in newsprint sales, but also to the practical elimination of 9 point corrugating paper sales which contributed substantially to last year's income of the operators. The making of specialty paper has greatly lessened owing to the easing up in the American paper situation.

Earnings on equity stocks this year will be very limited. Preliminary studies indicate the newsprint companies will have no particular difficulty in covering senior charges, after making liberal provision for depreciation and depletion.

Aside from the generally lower production, several factors combine to keep down profits this year. There has been no price change. Newsprint is still selling at the level established at the beginning of 1938. Costs of labor and materials have risen sharply. Taxes have greatly increased and now rank as a major item in the income accounts of the operators.

Prospects for earnings over the coming year hardly can be considered as overly promising at this stage. Expected lower demand, restrictions on manpower and hydro power, etc., certainly are not bullish items. To what the extent the industry's earnings will be affected cannot be appraised at this stage. However, in view of the exceedingly strong working capital position which the individual companies have worked themselves into, they should be able to take care of themselves financially for some time to come.

Abitibi

One of Canada's largest newsprint producers, Abitibi Power & Paper Co., has been operating under receivership since Sept. 10, 1932, with G. T. Clarkson acting as Receiver and Manager.

Last year the company reported a large increase in earnings and was able to earn interest on its bonds by a good margin. This year for the first seven months another gain in earnings has been reported, amounting to $329,000. It is significant that since March each month's earnings has been considerably less than the corresponding month a year ago, making it unlikely that the full year will show any gain over 1941.

Newsprint production has been declining since March, although the first seven months showed a total about 9,000 tons more than the same period of 1941.

The pulp end of Abitibi's business has been making a more favourable showing with operations around capacity. The first seven months saw a total of 69,371 tons of bleached sulphite and ground wood pulp shipped, establishing an all-time record.

Abitibi's operating results are not far out of line with what would be expected from the general conditions in the industry. The company is more than normally influenced by pro-rationing policy due to the fact that it has a less than average proportion of its tonnage under firm contract. Those close to Abitibi's position in recent years have frequently pointed out the handicap under which the company operates in negotiating a contract with newsprint consumers due to operating under receivership.

Efforts to reorganize the company have been going on for a number of years but to date with no success. The current position is that the Bondholders' Protective Committee, headed by H. J. Symington and representing about 98% of outstanding bonds, has secured a sale order from the Ontario court. This order has been appealed and will be heard before the Privy Council. Just when the hearing will take place can hardly be forecast at present but a delay is likely due to influence of wartime conditions.

Progress is being made in paying off liabilities. On April 15, this year, a distribution of $100 in Canadian funds for each $1,000 principal amount of bonds was made and it is reasonable to expect that further payments this year, the amount to depend on earnings.

This makes a total of $23 per $100 repaid on the principal to date. The Bondholders Protective Committee has designated these payments as a return of principal and not a payment of interest. This action was taken as a return of principal is not subject to taxation whereas an interest payment would be.

Abitibi's position, if and when it becomes necessary to divert electrical power from the newsprint industry to war uses, will be more favorable than most companies. Its mills are largely in Ontario and in some remote areas where alternate uses for the power required are not available. Abitibi has one mill in Quebec that will probably be affected. It is assumed that, if other mills have to shut down or curtail operations, an increased amount of newsprint production will be switched to mills not affected and that no shortage of newsprint will occur.

Anglo-Canadian

Anglo-Canadian Pulp & Paper Mills, which operates a 195,000 ton newsprint mill just outside Quebec City, is controlled by interests closely associated with the Rothermere estate. There is no direct public investment interest in the enterprise.

Under peacetime conditions practically all the output was contracted for by the Rothermere group of papers in England, and by the Hearst papers in the United States.

Since the outbreak of war there has been a reorientation of markets. The sharp rationing of newsprint supplies in England has forced the company to find other markets for its output in the United States.

Though one of the major operators in the Canadian industry, the company does not publish any particulars as to income or the extent of its operations. Accordingly its activity must be judged by the general trend of operations.

In the last two years revenues have been on a considerably better scale. Previously, however, the company experienced difficulties. Prior to 1940 it had been necessary for the controlling interests in England to advance funds to the company from time to time to cover interest on the debentures, all of which are held by Daily Mail Newspapers Ltd. of London. Heavy obligations were incurred in this respect, and finally, in 1939, a reorganization was carried out.

Because of its newspaper connections, Anglo-Canadian Pulp & Paper Mills has been able to operate at a slightly better average than those mills subject to pro-rating. While this has helped, nevertheless the scale of operations for the current year has been on a lower scale and it is not expected that revenues for 1942 will hold to the same level as in 1941.

(Continued on page 19)

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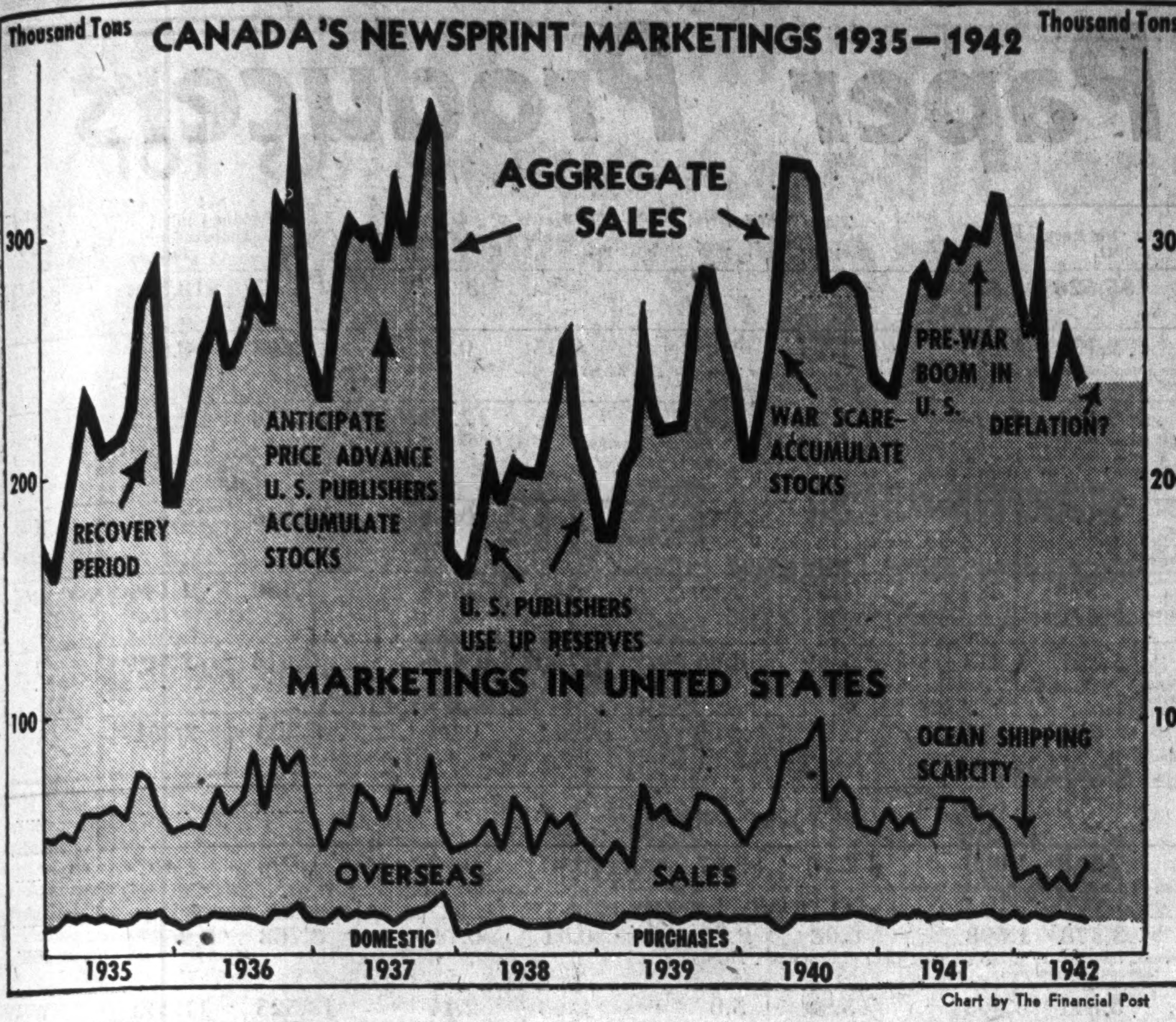


Chart by The Financial Post

New Position for Newsprint

(Continued from page 18)

J. R. Booth

J. R. Booth Ltd., of Ottawa, operates a relatively small pulp and paper plant with a well-diversified line of production. In addition to book and kraft papers, the company has a newsprint capacity of 15,000 tons annually.

The enterprise is privately-owned and no financial or operating statements are made public. However, it is understood that the scale of activity has been well-maintained and demand for certain lines exceeds capacity. This is indicated by the fact that early this year the company let a contract to the Foundation Co. of Canada for a new addition to the mill, involving an outlay of over $150,000 with equipment.

Can. International

Canadian International Paper Co., controlled by International Paper Co., is not only the largest newsprint operator in the world, but is also an important manufacturer of high-grade sulphite pulp. In addition, the company, jointly with the Masonite Corporation of the United States, operates a plant at Gatineau, P.Q., to manufacture Masonite products. Operations are rounded out by the inclusion of a number of saw-mills which give C.I.P. an important place among the lumber operators in eastern Canada.

The five pulp and paper mills owned or controlled by the company have a daily capacity of over 2,200 tons of newsprint, and 470 tons of bleached sulphite pulp.

Production of all grades of paper and pulp products last year, including a small amount made by Canadian subsidiaries directly controlled by International Paper Co., amounted to 813,638 tons. This contrasted with 767,449 tons in 1940.

A breakdown of production last year follows:

	Tons	
	1941	1940
Newsprint	518,232	540,851
Rayon pulp	123,772	130,314
Other sulphite pulp.	107,046	85,130
Corrugating board .	49,231	......
Other grades	15,357	11,154
Total	813,638	767,449

Last year's revenues set an all-time record of $61.2 millions. This contrasted with previous record of $54.1 millions set up the year before. After all charges there was a deficit of $364,941 compared with a profit of better than $1.2 millions in 1940. This result was due almost entirely to provision of $6.2 millions for income and excess profits taxes, including charges on account of prior years. In 1940 the tax provision was only $603,407.

In this connection the parent company says: "No audit of Canadian tax returns of Canadian subsidiaries has been made by the Canadian tax authorities since 1933. During 1941 certain questions were raised about these returns by the Canadian tax authorities and a general examination has now been made of all returns to 1940. This examination indicates that substantial additional taxes may be payable for years prior to 1941."

The consolidated financial position of the company at the end of last year continues to show strength, working capital of $34.7 millions contrasting with $22.2 millions at the end of the preceding year. A feature of the accounts is a sharp increase in liquid assets. Cash and Dominion Treasury notes at $10.5 millions compare with $3.9 millions at the close of 1940.

Current operations of C.I.P. are reasonably satisfactory. However, both gross and net earnings for 1942 may be somewhat less than in 1941. It is doubtful if there will be any income left over for the capital stock equity, which is held by International Paper Co.

Public investment interest in the company is limited solely to the first mortgage bonds. In this connection Canadian International Paper is one of the few Canadian newsprint companies which has met uninterruptedly all obligations on its bonded debt.

Consolidated

Consolidated Paper Corp., one of the "Big Three" in the Canadian newsprint industry controls newsprint mills at Port Alfred, Grand 'Mère, Shawinigan Falls, Three Rivers and Cap de Madeleine, with an annual capacity of better than 627,000 tons. This is a slightly higher tonnage than that controlled by Abitibi, but about 60,000 tons less than by Canadian International Paper.

Not only is Consolidated an important operator in the newsprint field, but also in the kraft paper and pulp and lumbering divisions.

Last year the company had a total income from all sources of better than $8.7 millions, an increase of nearly $200,000 over that reported in 1940. Net profit, following provision for all senior charges, was equivalent to 34 cents a share, or about the same as in 1940.

The past year's income included $1.2 millions received as exchange premium. A profit of $809,137 was realized on bonds redeemed.

During 1941 the company made sinking fund payments of $2.1 millions on account of its outstanding bond and debenture stock. Another payment of $1,844,068 was made on March 1 last, leaving $47,418,390 outstanding. To meet this the company had sufficient of its own bonds and debenture stock held and ready to be turned over to the trustees.

At the beginning of this year Hearst companies owed Consolidated Paper $1.5 millions, of which $1.3 millions was represented by notes under discount and $206,318 included in accounts and bills receivable.

During the past year the company spent $1.9 millions on property maintenance and $2 millions for additions and modernization. Fixed assets amounting to nearly $700,000 were charged to depreciation reserve as being no longer of value for production purposes.

The volume of business handled by Consolidated Paper this year has registered a moderate decline. This will be reflected in earnings which for 1942 are not expected to show much in the way of a surplus after provision for interest charges, depreciation and depletion.

The policy of this company for the past several years has been one of conserving and strengthening its financial position. Very considerable progress has been made along these lines. For example the funded debt has been decreased nearly $4 millions during the last two years. Bank loans running well over $10 millions have been liquidated. All underlying bonds have been redeemed, while net working capital has been built up to over $14 millions.

This improvement in financial position is reflected in the equity back of the company's bonds, which has increased from $1,044 in 1936 to $1,305 at the end of last year, a gain of nearly 30%.

Donnacona

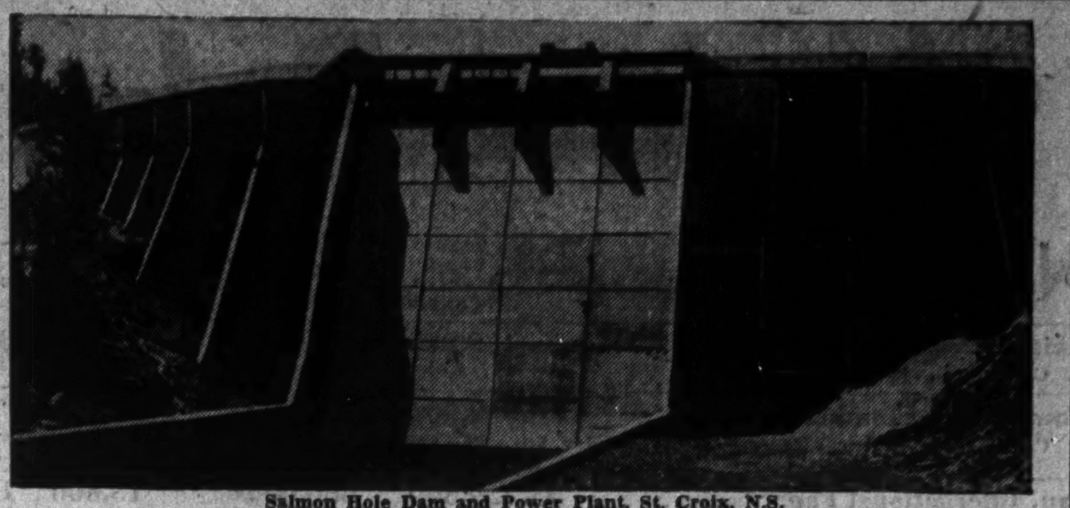
Donnacona Paper Co., while primarily a newsprint producer, also manufactures for sale an important volume of sulphite pulp and insulating board. In all, the company's plant, located not far from Quebec City, has an annual capacity of 85,000 tons of newsprint, 25,000 tons of sulphite pulp; 10,000 tons of groundwood pulp; 11,000 tons of paperboard and over 75 million sq. ft. of insulating board.

This diversification of manufacturing operations has proved beneficial to the company in that it has gone a long way towards stabilizing earnings.

Increased demand for the various products manufactured was experienced during 1941. Generally speaking there was little or no advance in the prices for which these products have been sold, although throughout 1941 there was a steady increase in costs.

Operating profit of $1.3 millions was the largest reported in some years. After writing off a substantially larger amount for depreciation, working capital at the beginning of

(Continued on page 23)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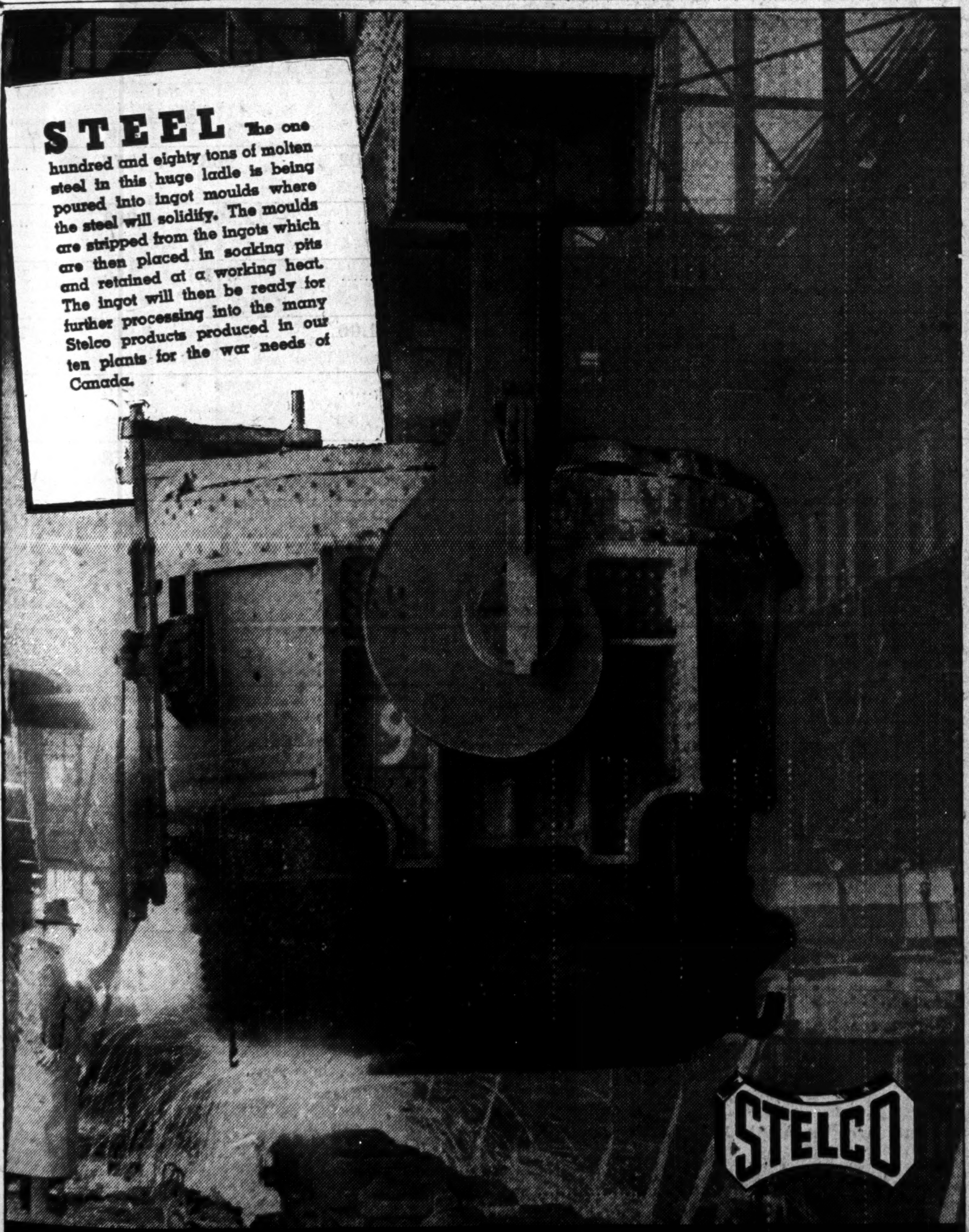
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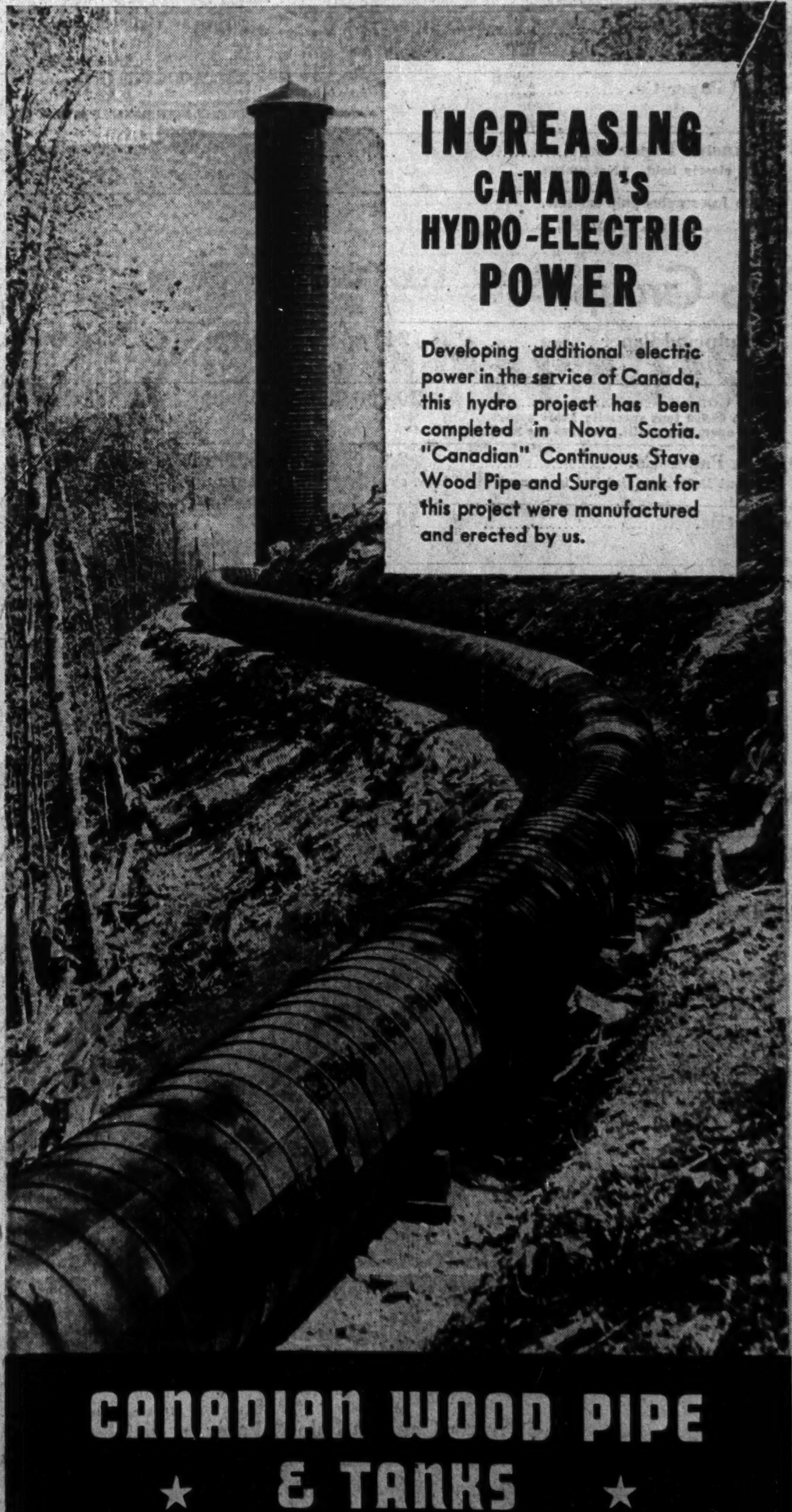
SALES OFFICES HALIFAX, ST. JOHN, QUEBEC, MONTREAL, OTTAWA, TORONTO, HAMILTON, LONDON, WINDSOR, WINNIPEG, VANCOUVER
WORKS HAMILTON, MONTREAL, TORONTO, BRANTFORD, LONDON, GANANOQUE


INCREASING CANADA'S HYDRO-ELECTRIC POWER
Developing additional electric power in the service of Canada, this hydro project has been completed in Nova Scotia. "Canadian" Continuous Stave Wood Pipe and Surge Tank for this project were manufactured and erected by us.
CANADIAN WOOD PIPE ★ & TANKS ★
LIMITED
550 PACIFIC STREET VANCOUVER, B.C.

Major Pulp and Paper Producers

Newsprint Group

(IN THOUSANDS OF DOLLARS)

	Timber Supply Cords or Sq. Miles	Mill Capacity Tons Annual	Gross Income		Depreciation		Net Revenue		Times Bond Interest Earned		Profits Per Share		Net Working Capital (in Thousands)		Market Value Common Stock
			1941	1940	1941	1940	1941	1940	1941	1940	1941	1940	1941	1940	
Abitibi, Power and Paper* .... Company in receivership.	54,138,000	615,000	$10,527	$8,571	$4,500	$4,500	$5,626	$3,687	....	....	$......	$......	$22,473	$18,828	$0.55
Bowater's-Newfoundland* .... Controlled by Bowater's Paper Mills Ltd., London, Eng. Directors—Eric V. Bowater, pres., London, Eng.; H. M. S. Lewin, vice-pres. & gen. mgr.; T. S. Howard, Corner Brook, Nfld.; C. G. Heward, G. S. Currie, 1st vice-pres., Montreal; J. Frater Taylor, A. A. Ritchie, A. B. Meyer, New York; W. Angus Reid, Weimar Cross, J. H. Keeling, J. V. R. Porteous, Hon. Ira Wild.	20,000,000	205,000	3,031	2,983	878	730	2,153	2,253	1.78	1.81	0.55	0.63	7,681	8,009	......
Can. International Paper* .... All stock owned by International Paper Co. Directors:—J. H. Hinman, pres.; S. L. de Carteret, vice-pres. and gen. mgr.; Brig.-Gen. J. B. White, vice-pres., Montreal; W. N. Hurlbut, New York, vice-pres.; R. C. Doane, vice-pres.; H. R. Weaver, vice-pres. & treas.; R. J. Cullen, J. H. Phipps, J. F. Rollins, A. H. Wiggin, New York; J. A. Eccles, L. P. Gelinas, G. H. Montgomery, Hon. Donat Raymond, Montreal; G. C. Edwards, Ottawa; F. K. Morrow, Toronto; H. P. Robinson, Saint John, N.B.; Chenier Picard, Sherbrooke, Que. Vice-pres.—E. L. Crooker, F. G. Robinson, C. B. Thorne.	55,729,600	686,000	15,600	11,682	5,684	5,651	9,161	5,279	2.54	1.45	......	12.70	24,750	22,213	......
Consolidated Paper* .... Directors:—L. J. Belnap, pres.; Francois Faure, vice-pres.; N. J. Dawes, W. H. Howard, G. M. Todd, R. H. McMaster, E. A. Macnutt, C. F. Sise; Montreal; Col. H. D. L. Gordon, Toronto; Hon. C. A. Dunning, Montreal. Vice-pres.—C. R. Whitehead.	62,000,000	627,500	8,739	8,558	4,560	4,480	4,179	4,051	1.57	1.46	0.34	0.34	14,056	12,012	1¾
Donnacona Paper* .... Directors:—R. P. Kernan, pres.; Hon. Geo. Parent, vice-pres., Quebec; L. W. Michael, 2nd vice-pres. & sec.-treas., Donnacona; Sir Geo. Garneau, C. A. Cannon, Quebec; Hugh Mackay, A. P. S. Glassco; Montreal.	1,000 sq. m.	85,000	1,307	1,091	759	558	548	533	1.67	1.80	0.28	0.34	1,336	1,146	2⅛
Great Lakes Paper .... Directors:—Hon. W. Earl Rowe, pres. and man. dir.; A. D. Cobban, vice-pres.; R. G. Meech, C. B. Shields, W. J. Palmer, Toronto; Senator N. M. Paterson, Fort William; L. E. Aldrich*, Chicago; Ray Lawson, London, Ont.; L. B. Rock*, Dayton O. *Representing the publishers.	....	116,000	1,975	1,804	618	561	1,357	1,243	4.45	4.06	0.18d	0.82d	2,616	2,501	1¼
Lake St. John Power & Paper* .... Controlled by St. Lawrence Paper Mills and St. Lawrence Corp. Directors:—D. H. McDougall, chm., Toronto; A. S. McNichols, pres., Montreal; H. H. Horsfall, vice-pres., Toronto; A. H. Campbell, A. S. Fraser, J. I. Rankin, John Stadler, Montreal.	12,000,000	102,000	1,208	1,213	556	556	652	657	2.16	2.14	0.04d	0.04	3,203	2,561	6
Maclaren Co., James .... Owned by Maclaren Power and Paper Co.	2,600 sq. m.	101,000	1,339	1,301	541	513	798	660	Nil	Nil	......	......	....	....	......
Mersey Paper Co. .... Stock privately held. Directors:—Col. C. H. L. Jones, pres. & man. dir., Liverpool, N.S.; J. McG. Stewart, vice-pres.; B. J. Waters, gen. mgr.; P. R. Jack, J. C. MacKeen, Halifax, N.S.; Col. J. L. Miller, Spithead, Bermuda.	3,300,000	107,000	1,407	1,442	659	642	748	800	2.70	2.67	0.07	0.39	1,596	1,407	......
Minnesota & Ontario Paper .... *At Mar. 31, 1941. Re-organized in 1941. Directors:—R. H. M. Robinson*, pres.; J. B. Faegre*, C. T. Jaffray*, Shirley S. Ford, Minneapolis; Serge Semenenko, Boston; C. S. Garland*, Baltimore; F. M. Gordon, Chicago; G. A. Dobbie, Galt, Ont.; R. S. Waldie*, Toronto. *Executive committee.	13,700,000	185,500	5,358	3,530	1,505	1,386	3,378	1,698	6.02	2.79	0.91	0.74	8,788	[illegible],966*	......
Price Bros. and Co.* .... Directors:—H. J. Symington, chm., Montreal; Col. C. H. L. Jones, pres., Quebec; A. A. Aitken, vice-pres.; J. D. Johnson, J. C. Newman, P. F. Sise, W. A. Arbuckle, Montreal; Alfred Marois, A. C. Picard, A. C. M. Thomson, Quebec, Que.; Sir Keith Price, London, Eng. Vice-pres.—John H. Price, Edward Flynn, M. R. Kane.	8,000 sq. m.	375,000	5,751	5,495	1,850	1,884	3,841	3,363	5.90	5.0	2.63	2.17	13,525	11,230	6½
St. Lawrence Corp. .... Returns are for wholly-owned Brompton Pulp and Paper. Directors:—A. F. White, chm., Toronto; A. K. Cameron, pres.; J. I. Rankin, vice-pres.; H. C. Flood, R. W. Steele, A. H. Campbell, N. A. Timmins, Jr., D. H. Taylor; Montreal; H. H. Horsfall, G. R. Cottrelle, Toronto.	8,000,000	63,000	1,889	1,437	495	471	1,404	982	Nil	Nil	2.78	2.11	3,460	2,831	1
St. Lawrence Paper Mills .... Profits shown is on preferred. Common held by St. Lawrence Corp. Directors:—A. K. Cameron, chm.; J. I. Rankin, pres.; Montreal; A. F. White, vice-pres. & man. dir., Toronto; H. C. Flood, R. W. Steele, P. H. Nitze, N. A. Timmins, Jr., A. H. Campbell, Montreal; A. J. Davis, Newmarket.	6,000,000	187,700	1,580	1,658	776	772	803	886	Nil	Nil	3.98	4.14	3,028	2,308	24½

* Also has important surplus of pulp, lumber, or insulating board to sell. d Deficit.

Fine Paper Group

(IN THOUSANDS OF DOLLARS)

	Timber Supply Cords or Sq. Miles	Mill Capacity Tons Annual	Gross Income		Depreciation		Net Revenue		Times Bond Interest Earned		Profits Per Share		Net Working Capital (in Thousands)		Market Value Common Stock
			1941	1940	1941	1940	1941	1940	1941	1940	1941	1940	1941	1940	
Howard Smith Paper* .... Directors:—Harold Crabtree, pres.; E. Howard Smith, vice-pres.; Montreal; G. H. Tomlinson, vice-pres.; J. H. Gundy, C. L. Burton; Toronto; A. B. Wood, L. deGaspe Beaubien; W. A. Arbuckle, Howard Murray, J. D. Johnson, G. M. McKee, W. D. Robb, W. H. Howard; Montreal; George Chahoon, Jr., Grand'Mère, Que. Vice-pres.—E. K. Robinson.	2,000 sq. m.	77,600	5,600	4,513	1,432	1,170	4,165	3,342	15.91	12.23	2.53	2.23	4,812	3,227	8½
Provincial Paper .... Controlled by Abitibi. Directors:—S. F. Duncan, pres.; W. H. Smith, vice-pres.; G. T. Clarkson, L. R. Wilson, A. F. White, Alex Fasken, G. S. Niven, T. Broadhurst, W. S. Barber; Toronto.	2,500 sq. m.	58,900	1,267	1,056	300	300	967	756	4.96	3.73	1.27	0.28	3,018	2,875	......
Rolland Paper Co. .... Directors:—Jean Rolland, pres.; J.-Pierre Rolland and Hugh Mackay, vice-pres.; Montreal; Olivier Rolland, Mont Rolland, Que., mill exec.; J. A. Raymond, J. A. Weldon, J. B. McCarthy, Montreal; Jean Paul Rolland, St. Jerome, Que.; J. Y. Murdoch, Toronto.	....	8,900	696	560	192	181	444	320	4.73	3.70	1.43	1.20	1,007	870	6½
Westminster Paper Co. .... Stock closely held. *Net profits. Directors:—J. J. Herb, pres. and chm., Bellingham, Wash.; E. M. Herb, vice-pres. and gen. mgr.; F. F. Foote, sec.-treas.; J. G. Robson, R. C. Onkels, New Westminster; S. A. Lake, Vancouver; F. J. Herb, Bellingham, Wash.	....	6,200	......	312	70	57	*52	134	......	......	1.09	1.47	....	263	......

* Also has surplus pulp for sale.

Pulp Group

(IN THOUSANDS OF DOLLARS)

	Timber Supply Cords or Sq. Miles	Mill Capacity Tons Annual	Gross Income		Depreciation		Net Revenue		Times Bond Interest Earned		Profits Per Share		Net Working Capital (in Thousands)		Market Value Common Stock
			1941	1940	1941	1940	1941	1940	1941	1940	1941	1940	1941	1940	
B. C. Pulp and Paper .... Directors:—Lawrence Killam, pres.; George Kidd, vice-pres.; R. C. Buchanan, W. H. Malkin, Cecil Killam; Vancouver; I. W. Killam, Montreal.	242 sq. m.	136,400	3,298	2,316	737	643	2,560	1,673	7.83	4.94	5.62	3.02	968	777	......
Brown Corp. .... p Also 60,000 tons specialty kraft papers. * Net operating profit. Returns are for Brown Co. Directors:—Robert Braun, H. B. Carruth, Portland, Maine; Orton B. Brown, Berlin, N.H.; John J. Fahey, Washington; J. J. Hagerty, H. P. Kendall, Paul Draper, Boston, Mass.; L. F. Whittemore, Manchester, N.H.; J. B. Challies, Montreal, Que.	20,000,000	285,000p	*5,525	*2,679	1,541	1,521	6,038	3,085	......	......	......	......	12,500	4,283	......
Dryden Paper Co. .... x About 15,000 tons finished in form of kraft bags, etc. Directors:—F. A. Sabbaton, pres., Montreal; J. S. Wilson, vice-pres., Dryden, Ont.; George Chahoon, P. A. Thomson, Dan McLachlin, J. B. Woodyatt, E. R. Parkins, F. B. Kilbourn, J. R. S. McLernon; Montreal.	2,000,000	25,000x	426	315	271	215	128	75	1.80	1.00	0.22	......	571	556	3¾
Fraser Cos. .... Directors:—Aubrey Crabtree, pres. and gen. mgr.; L. M. Sherwood, vice-pres. and compt., Edmundston; Harold Crabtree, A. H. Campbell, A. M. Irvine, H. P. Thornhill, Montreal; Lt.-Col. K. S. Maclachlan, Ottawa; S. F. Duncan, Toronto; F. C. Beatteay, Saint John, N.B.; Hon. R. B. Hanson, Fredericton.	15,500,000	49,650‡	5,116	3,221	1,549	1,681	3,532	1,429	5.34	1.91	......	1.00	3,665	3,965	7¾
Minas Basin Pulp .... Stock privately held. * Not available. Directors:—Albert Parsons, pres., Walton, N.S.; D. W. Murray, vice-pres.; R. A. Jodrey, man.-dir. and sec.-treas.; C. P. Wyman, 2nd vice-pres. and asst. sec.-treas.; T. B. Akin, Jr., J. J. Jodrey; Hantsport, N.S.; G. A. Chase, L. B. Chase, Port Williams, N.S.; F. M. Covert, F. C. Manning, R. W. Harris, Halifax; K. L. Crowell, Bridgetown, N.S.; Mrs. A. L. Wright, Wolfville, N.S.; K. L. Warren, Riviere du Loup, Que.	200 sq. m.	37,200	*	269	*	88	*	66	*	1.60	*	......	*	291d	......
Quebec Pulp & Paper .... Not operating. * Loss before depreciation. † Excess of current liabilities. Directors:—A. S. McNichols, pres.; C. R. Whithead, vice-pres.; Montreal; Major Edward Flynn, vice-pres., Kenogami, Que.; G. M. McKee, J. G. Porteous, George Henderson, Montreal; J. H. Price, Col. C. H. L. Jones, Quebec.	5,000,000	....	41	26	......	......	*261	*249	......	......	......	......	†1,495	†1,278	......

‡ Also has for sale annual output of 82,150 tons of fine papers; 18,600 tons of paper board and large quantity of lumber.

Miscellaneous Group

(IN THOUSANDS OF DOLLARS)

	Timber Supply Cords or Sq. Miles	Mill Capacity Tons Annual	Gross Income		Depreciation		Net Revenue		Times Bond Interest Earned		Profits Per Share		Net Working Capital (in Thousands)		Market Value Common Stock
			1941	1940	1941	1940	1941	1940	1941	1940	1941	1940	1941	1940	
Bathurst Power & Paper .... Directors:—R. L. Weldon, pres.; H. J. Webb, vice-pres. & sec.-treas.; P. A. Thomson, vice-pres.; Joseph Simard, F. J. Campbell, A. J. Nesbitt, J. B. Woodyatt; Montreal; H. P. Robinson, Saint John, N.B.; R. G. Ivey, London, Ont.	18,500,000	45,000(1)	2,073	1,728	537	432	918	786	Nil	Nil	2.30	1.97	3,649	2,800	10½
Building Products .... Directors:—P. R. Allen, chm., East Walpole, Mass.; W. R. McNeil, pres.; D. P. Hatch and C. P. Cowan, vice-pres.; R. C. Crooker, sec.-treas.; Winthrop Brainerd, G. M. McKee, G. H. Montgomery, Montreal; H. R. Tudhope, Toronto.	....	27,900(2)	1,167	1,049	98	99	475	414	Nil	Nil	0.98	0.86	1,764	1,788	11¾
Canadian Wirebound Boxes .... Earnings and price on Class A. Directors:—D. L. White, Jr., chm., Midland, Ont.; A. M. Dunn, pres. and man. dir.; H. M. Millar, E. G. McMillan, S. B. Playfair, H. L. Trapp; Toronto; A. K. Cameron, Montreal.	o	....	359	293	91	81	139	111	Nil	Nil	2.52	1.96	226	381	17⅜
Canadian Wallpaper .... Stock inactive. Directors:—Arnold Ashton, pres., Toronto; J. T. Chasney, vice-pres.; Ralph Entwisle, London, Eng.; A. V. Sudgen, Manchester, Eng.; Harold Jackson, Holmeschapel, Eng.; Reg. N. Boxer, F. M. Hulbig, F. C. Hanson, J. Prescott, E. G. Staunton, Gerald Staunton, J. P. Ramsay, R. R. Sparling, Toronto; R. H. Gillean, R. H. Gillean, Jr., C. M. Williamson, H. S. Foster, Montreal.	o	....	214	199	......	......	168	152	Nil	Nil	1.30	1.18	1,422	1,299	9½
Corrugated Paper Box .... Stock inactive. Directors:—A. T. Whealy, pres. & treas., *J. A. Gairdner, vice-pres.; J. A. Whealy, vice-pres. & sec.; Toronto; Henry Hilton, L. E. Blackwell; *W. A. Woodcock, William Lawrence, Toronto. *Representing preferred shareholders.	o	....	246	166	47	44	102	56	Nil	Nil	1.24	0.24	459	407	......
Gair Co. of Canada .... Wholly owned by Robt. Gair Co. Inc. Directors:—G. W. Brown, pres. and gen. mgr.; C. E. Whitten, vice-pres. and treas.; G. M. Willoughby, sec.; G. E. Dyke, T. R. Pierce.	....	62,000	963	1,030	224	218	738	812	6.81	6.05	3.01	2.63	1,077	752	......
Hinde & Dauch .... Directors:—Sidney Frohman, pres., Sandusky, Ohio; L. F. Winchell, vice-pres. & gen. man.; T. E. Lloyd, treas.; Toronto; J. H. MacLeod, sec., Sandusky, Ohio; M. H. McArthur, gen. sales mgr.; R. L. Warren; Toronto; M. H. Murch, Cleveland, Ohio.	....	99,200(3)	1,338	924	194	188	1,149	737	95.60	38.01	1.67	1.39	1,746	1,485	12

(1) In addition to kraft liner board, 22,000 tons unbleached sulphite pulp, 24,000 tons cylinder board and 21,500 tons of newsprint.
(2) Building papers.
(3) Paperboard.
(o) A converter and not a producer of pulp or paper.

Companies Whose Financial Statements Are Not Available

	Timber Limits	Mill Capacity, Tons
Anglo Canadian Pulp & Paper	3,460 sq. m.	195,600
Anglo-Newfoundland Dev. Co.	....	185,000
Beaver Wood Fibre Co.	246 sq. m.	25,100
Booth Ltd., J. R.	4,734 sq. m.	15,000
Donohue Bros. Ltd.	417 sq. m.	49,000
Eddy Co., E. B.	1,846 sq. m.	47,000
Gaspesia Sulphite Co.	....	40,000
Interlake Tissue	....	8,000

	Timber Limits	Mill Capacity, Tons
Ontario Paper Co.	4,278 sq. m.	292,000
Pacific Mills Co.	275 sq. m.	74,000
Port Royal Pulp & Paper	....	38,750
Powell River Co.	460 sq. m.	224,300
Sidney Roofing Co.	....	9,300
Spruce Falls Power & Paper	10,500,000	200,000
St. Raymond Paper Co.	....	7,800
Vancouver Kraft Products	[illegible]	26,300

Fine Paper Mills Adjust to New Conditions

—Max Sauer photo.

Attractive printing jobs demand the best in papers and that is what Canada's industry can supply. Here, fine papers are hung up to dry shortly before they are sent on their way on another step to help satisfy the public's reading appetite.

Canada's fine paper industry continues to operate at a high rate of capacity, but danger of a shortage no longer exists. This is an about-face from the situation prevailing a year ago. At that time manufacturers and others were freely foretelling of the likelihood of a shortage. The fact that there has been no shortage can be attributed, in large measure, to the success of conservation plans and the concentration of production on standard lines.

To the end of last February demand for fine papers was largely in excess of productive capacity. Since then there has been falling off in business, so much so that backlogs are being rapidly eaten up, and normally prompt shipments may soon be possible.

Simplify Operations

At the suggestion of the Dominion Government, the industry drew up plans to simplify and expand production in order to conserve both chlorine and pulp to the end that available supplies would be spread as far as possible.

Numerous changes were made in the regular lines of production. These changes were designed along the following lines:

(1) Top ceiling for base weights on many grades in order to save on tonnage.

(2) Limitation of colors, and other "specials," to save machine time.

(3) Reduction in the number of base weights, colors and sizes in some lines, in order to simplify and speed up production.

At the beginning of the year conditions indicated there would be no let-up in demand. There was considerable doubt as to the ability of the industry to meet domestic requirements.

At the time Harold Crabtree, president of Howard Smith Paper Mills, issued a statement indicating that Canada should have for use in 1942 about 96% of the book and writing papers actually used in the average of *the years 1938-1940.*

Position Analyzed

The demand and supply situation, as he foresaw, was summarized in Canadian Printer and Publisher, as follows:

INDUSTRY'S POSITION AT WAR OUTBREAK

	Capacity Tons	Domestic Use Av. 1938-39-40 (Incl. Government)	Capacity Operation %
Book and writing*	145,000	138,000	94.4
Wrapping	48,000	41,950	87.4
Board	450,000	371,862	82.6

TO WHICH MUST BE ADDED ADDITIONAL TONNAGE BUILT OR BUILDING

	Additional Capacity Tons	On this basis operations in 1938-39-40 would have been %
Book and writing*	20,000	83.6
Wrapping	12,000	69.9
Board	50,000	74.4

ADDING THIS ADDITIONAL CAPACITY WOULD SHOW

	Total Capacity Tons	Estimated War Needs Tons	Balance for Commercial Use Tons	Balance for Commercial Use As % 1939-40 Av.
Book and writing*	165,000	41,250 (25%)	124,000	90
Wrapping	60,000	20,000 (⅓)	40,000	100
Board	500,000	125,000 (¼)	375,000	101

*Includes blotting, stationery, greaseproof, glassine and coated papers.

One factor which was not fully weighed in this survey, and which could not be appraised at the time, was the effect of conservation upon demands for new stock. The elimination of much direct-mail advertising, saving of paper through elimination of wasteful practices, etc., resulted in pulling down demands in a manner which has become particularly noticeable in the last six months.

Howard Smith

There are four major fine paper manufacturers in Canada; three in Quebec and one in Ontario. In addition, there are several smaller operators which, in the aggregate, contribute substantially to meeting the demand of the Canadian market.

Howard Smith Paper Mills, with its subsidiaries, constitutes one of the largest fine paper makers in the Dominion. Directly owned are plants at Cornwall, Beauharnois and Crabtree Mills. In addition, the company controls Canada Paper Co., Alliance Paper Mills, Federal Paper Co., Howard Smith Chemicals, which units operate at Windsor Mills, P.Q., Cornwall and Merritton, Ont.

Last year was an exceptionally good one for the company, with gross operating profits reaching the high figure of $5.5 millions. Working capital was improved by a substantial amount, while funded debt was reduced by $375,000.

Consolidated earnings for the current year to date compare favorably with those for the like period a year ago. However, it is expected that after provision for increased taxes, net income in 1942 may be somewhat less than in 1941.

In recent years the company and its subsidiaries have carried out an extensive plan of modernization and expansion. During the past year $892,308 was expended on property in order to increase output of certain of the company's products for which there is an exceedingly heavy demand. The major part of this programme is being carried out during the current year.

Despite the substantially improved position of the company, no action has been taken respecting dividends on the common stock. Along these lines Harold Crabtree, president, stated the matter has been considered by the directors, but it has been decided that the question should not be brought up again for some months, or until the general outlook is clarified.

Canada Paper

Canada Paper Co., a subsidiary of Howard Smith Paper Mills, has plans under way for expansion of its plant at Windsor Mills, P.Q. The work includes a new building for extensions of paper mill machinery division, a new pulp storage tank, alterations and improvements in the pulp department, etc. The cost is understood to be in the neighborhood of $500,000.

Originally established in 1859, control of the company was acquired by Howard Smith Paper Mills in 1929 by an exchange of stock. The balance of the capital stock was acquired a few years later.

Earnings of the company have shown a consistent increase in recent years and over the last three years arrears of dividends on the preferred have been substantially reduced.

Alliance Paper

Alliance Paper Mills, another subsidiary of Howard Smith Paper Mills, is completely owned except for a few shares outstanding in the hands of the public.

No financial statement has been issued by the company for some years, returns being consolidated with those of the parent company.

Rolland Paper

Rolland Paper Co., one of the four major fine paper manufacturers in Canada, operates two mills, one at Mount Rolland and the other at St. Jerome, P. Q.

Sales and earnings for the current year have continued on a satisfactory basis. Expectations are that the financial statement for 1942 will compare favorably with 1941 in respect to gross income, while net income may be somewhat lower due to increase in taxation.

Last year the company experienced an increase of approximately 40% in sales. This was reflected in an advance of net earnings from $501,576 to $636,300.

Over the last 12 months the company has spent further large sums in improving the efficiency of its mills. As a result the company is now in an excellent position to cope with conditions arising out of the war.

Fraser Paper

Fraser Paper Co., a wholly-owned subsidiary of Fraser Cos., is the only fine paper manufacturer in the Maritimes. Technically, this company is not a Canadian operator. The mill is located in Madawaska, Me., and practically its entire output is for U. S. consumption.

Particulars of the operations and earnings are consolidated with those of the parent concern, so that it is not possible to analyze the progress or otherwise of the company.

Generally speaking, operations of the Madawaska plant, which contains six machines capable of producing 160 tons of sulphite bond and waxing papers, and 145 tons of catalogue paper daily, have held at a high level. The demand for many months past has been exceptionally good, and no difficulty has been experienced in marketing the complete output.

E. B. Eddy

One of the oldest fine paper plants in Canada is operated by the E. B. Eddy Co. at Hull, P.Q. This company also produces newsprint and other pulp products. However, the fine and specialty paper division represents the major interest.

Experience of the E. B. Eddy Co. since the outbreak of war has paralleled that of other companies in this field. The fine paper division has operated at capacity up to date and while there may be a falling off in new orders between now and the end of the year, plant activity should remain relatively high.

In connection with capital expenditures, the company has spent large sums of money in recent years in modernizing and extending its plant. A new water system was installed, while major changes were effected in operating plant.

The last substantial capital expenditure undertaken was an outlay of $100,000 in connection with the construction of a new acid plant

(Continued on page 25)

ST. LAWRENCE CORPORATION LIMITED

Controlling

ST. LAWRENCE PAPER MILLS COMPANY LIMITED
BROMPTON PULP AND PAPER COMPANY LIMITED
LAKE ST. JOHN POWER AND PAPER COMPANY LIMITED

Manufacturers of

NEWSPRINT PAPER
SULPHITE-SULPHATE
AND GROUNDWOOD PULPS

Annual Capacity All Grades
400,000 TONS

Mills at

THREE RIVERS, QUE. — EAST ANGUS, QUE.
DOLBEAU, QUE. — BROMPTONVILLE, QUE.

Head Office:

SUN LIFE BUILDING, MONTREAL

Again in the Service of the Crown!

P B
ESTABLISHED OVER 100 YEARS

History Repeats Itself

IN THE Napoleonic wars Britain turned to the rich Saguenay timber limits for the tall masts of His Majesty's battleships — William Price, the founder of this company in 1817 having first come to Canada in 1810 as a representative of the British Admiralty.

Those tall spars contributed to the defeat of the would-be world dictator of those days.

One hundred and thirty-two years later, Price Brothers & Company, Limited, still have their Saguenay timber limits — which are doing their share in bringing about the downfall of another seeker of world conquest.

In today's modern world it is pulp, newsprint and lumber which are the basic products in place of the masts of a century ago . . . lumber for the bombed areas of Britain, newsprint to carry the message of free men — and to earn the dollars that buy materials of war.

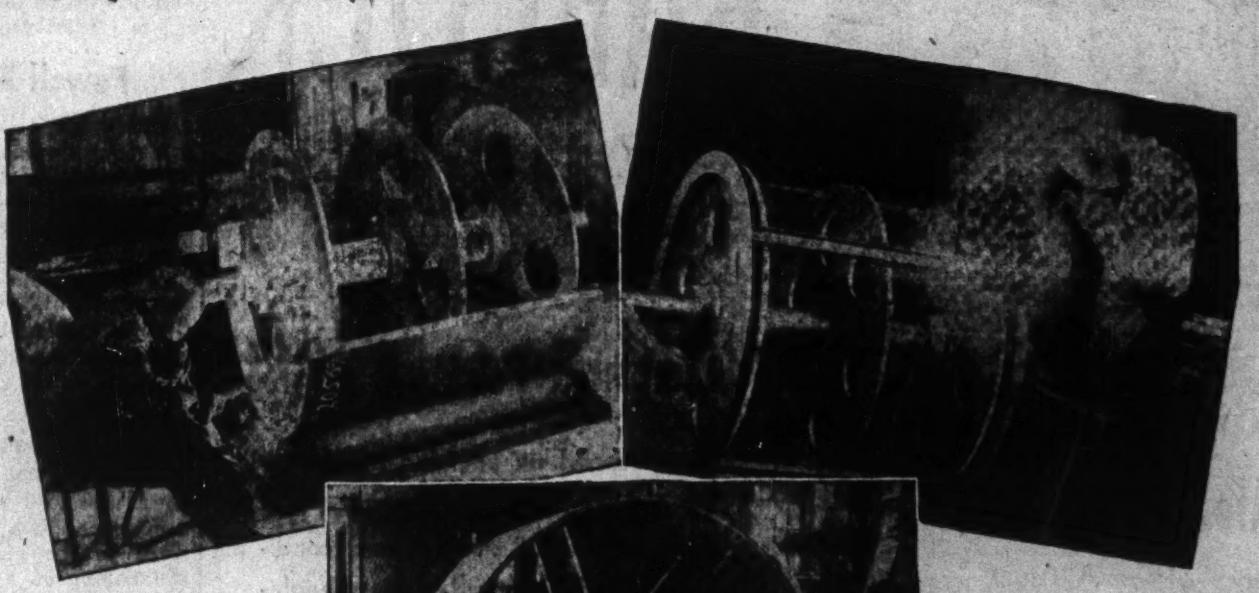
The history of Price Brothers & Company, Limited, repeats itself, even as the history of free men of the forest, the farm, the factory and the fighting forces will repeat itself — to protect and to maintain their heritage of liberty in their time.

PRICE BROTHERS & COMPANY, LIMITED

PRODUCERS OF LUMBER PRODUCTS AT RIMOUSKI, PRICEVILLE AND MATANE AND NEWSPRINT AND BOARD PRODUCTS AT KENOGAMI, RIVERBEND AND JONQUIERE.

HEAD OFFICE — PRICE HOUSE — QUEBEC, P.Q.

"Keep 'em Rolling" with DODGE PULLEYS



The illustrations shown here are from photographs taken in one of our plants where skilled workmanship and modern equipment are employed to serve a wide variety of Canadian industries. Here, too, the reputation for dependability established by DODGE many years ago is zealously guarded.

Top left: Welding a conveyor head pulley for extra heavy proportions.

Top right: Welding a slatted steel conveyor pulley.

Bottom: Specially designed pulley, 60" diameter x 45" face, with cast steel arms and hubs. Rim is of welded steel construction with rubber covering.

FOR many years, the name DODGE has been closely identified with the design and manufacture of various types of transmission equipment. Particularly is this true of pulleys — in connection with which, DODGE has achieved a reputation from coast to coast for its high standard of workmanship and absolute dependability. No matter what type you are interested in, it will pay you to consult DODGE.

Designers and Manufacturers:

CONVEYING AND ELEVATING EQUIPMENT
MODERN POWER
TRANSMISSION EQUIPMENT
COAL AND ORE HANDLING BRIDGES
WELDED PROCESSING EQUIPMENT
STEAM GENERATING EQUIPMENT
BALDWIN-SOUTHWARK HYDRAULIC PRESSES

UNITED STEEL CORPORATION
LIMITED

TORONTO . . WELLAND
DODGE MANUFACTURING DIVISION
CANADIAN MEAD MORRISON
MONTREAL . . WINNIPEG

Newfoundland Newsprint

Newfoundland's two newsprint mills represent the most important industrial activity on the island. Capacity of the two plants is about 390,000 tons annually, or approximately one third that of the American newsprint industry.

Because of wartime conditions, operation of the Newfoundland mills has undergone radical changes. Ordinarily the major share of production is marketed in the United Kingdom. Due to shipping and other difficulties, it has been necessary to reorganize markets and the great bulk of production now goes to the United States.

For some time past both the Anglo-Newfoundland Development Co.'s mill at Grand Falls and the Bowater Paper Mill at Corner Brook have been operating at or near capacity. Production of newsprint in 1941 at 344,800 tons compared with 351,143 tons the year before. The latter represented an all-time record.

For the current year to the end of July the two mills produced 175,364 tons. This contrasted with 204,990 tons for the like period of 1941.

Bowater's

Bowater's Newfoundland Pulp & Paper Co. at Corner Brook, is the largest pulp and paper enterprise on the island. Total production last year at 204,000 tons constituted a new record, comparing with the previous record of 200,611 tons established in 1940.

The newsprint mill was opened in 1925. At that time the paper machines were designed to produce an estimated 400 tons of newsprint per day. Due to subsequent improvement and additions the capacity has been brought up to over 700 tons a day.

Originally scheduled for completion at the end of 1941, Bowater's sulphite pulp mill began operations in March, 1941. Rated capacity of the new machine is 100 tons daily. It is currently averaging 110 tons daily. Equipment and layout of the new mill, which incorporates the best to be found in Europe and America, has been designed to produce a pulp of high quality and cleanliness. Provision has been made for further extensions of the plant if needed.

Bowater's customers are newspapers in Great Britain, United States, British West Indies, Mexico, almost every country in South America, Australia, New Zealand and many other countries in the near and far east. Shipments to more distant points have been hampered with heavy war risk insurance and high freight rates. Spread of war to the Pacific has meant the temporary loss of certain markets.

Anglo-Newfoundland

Operations at the Grand Falls plant of Anglo-Newfoundland Development Co. have been on a capacity scale for some time. The field of production has been extended to cover, in addition to newsprint, dry baled groundwood pulp, as well as sulphite, with total of all production amounting to 190,000 tons annually.

A new refining unit has been installed for groundwood screenings. To cope with the increased demand for sulphite pulp four new circulating systems and two new chip packers have been installed in the sulphite mill.

In the early part of 1941 the company lost the two remaining steamers by enemy action. This loss, combined with the switch of a large proportion of exports to the American market, had a disturbing effect on the marketing situation.

At the end of last year Anglo-Newfoundland had in its employ some 3,250 people, with total wages and salaries paid during the year amounting to approximately $4.5 millions.

East Coast Newsprint Mills Keep Pace

Pulp and paper operations have an important bearing upon the economy of the Maritime Provinces, more particularly Nova Scotia and New Brunswick. Newsprint manufacture represents the major branch of activity, the mills of Mersey Paper Co., Bathurst Power & Paper Co. and New Brunswick International Paper Co., accounting for the major share of production.

Collectively, these three mills have an annual capacity of around 325,000 tons annually. Last year, they turned out approximately 270,000 tons of newsprint and, for the current year, production is expected to be on a somewhat lower basis following the general trend of the industry.

Mersey

Operations of the Mersey Paper Co. have been on a somewhat better basis than that for the industry as a whole.

Over the last three years, earnings of the company have moved within a narrow range. Whether the net income will be maintained this year, depends upon several factors, not the least of which is the question of transportation.

No special difficulties are anticipated in respect to supplies or orders, but the company has had to contend with exceptional transportation difficulties. Practically all of the output is shipped to the American and other markets by water. The company has its own boats.

Water - borne transportation on the Atlantic seaboard at this time has become difficult because of enemy action. Until the submarine menace is finally brought under control, Mersey Paper's position is not altogether favorable for, if forced by circumstances to ship by rail, the company would be seriously handicapped. The fact that the company's plant is located on the Atlantic seaboard and enjoys all-year-round water-borne transportation, is one reason for the excellent showings made in past years.

Bathurst

Bathurst Power & Paper Co. operates a relatively small newsprint plant, capacity being set at 80 tons daily. This is the rating of one machine. Originally the company had two machines, but at the bottom of the depression, steps were taken to convert one of them to kraft liner board. This move was so successful, the company concentrated its activities on the kraft division.

Over the past year, Bathurst has been producing newsprint at a rate of slightly better than 50 tons daily. With the premium on American funds, revenues from the newsprint division are important, but the greater part of income is derived from kraft operations.

Operations of the newsprint unit are in line with those of the other mills subject to prorating. The degree of activity is seen in the fact that at present the prorated mills are operating around 60%, whereas a year ago, the ratio was well over 70%.

N. B. International

New Brunswick International Paper Co., is one of the major units in the Canadian newsprint industry. Its operations and earnings are consolidated with those of the parent company, Canadian International Paper Co., so that it is not possible to give details of performance.

Inasmuch as the parent company is subject to prorating, it is assumed the Dalhousie Mill lately has been operating at around 60% of its rated capacity, which, for the current year, has been set at 202,000 tons. Four machines have been installed and provision has been made for ultimate expansion of the plant to six machines with a combined capacity of 825 tons a day.

Present indications point to the Dalhousie Mill producing about 130,000 tons of newsprint this year. This would contrast with an output in the neighborhood of 150,000 tons last year.

Coast Newsprint Mills Progress

With newsprint operations concentrated in Ontario and Quebec, it is sometimes forgotten that British Columbia is an important figure in this field. The two newsprint mills on the Pacific coast have, between them, an annual capacity of 300,000 tons. This output is an important item in marketing operations along the Pacific coast and Gulf states ports in the United States, as well as in the Far East, Australia and New Zealand.

The spread of war in the Pacific area and difficulties over shipping have necessitated the reorientation of markets for British Columbia newsprint. Practically the entire output is now sold in the United States. Intermittent shipments are made to the Australasian market, but the importance of this market has declined sharply due to shipping difficulties and rationing of supplies.

Though newsprint constitutes the bulk of production of both the Powell River Co. and Pacific Mills Ltd., considerable progress has been made in recent years toward greater diversification of output. Large sums of money have been spent on expanding and adding to pulp manufacturing facilities. In addition, both companies have broadened paper operations to include the production of building and fine papers. This move has tended to give greater stability to the coast industry and has done much toward maintaining earnings in the face of declining newsprint production.

Powell River

Powell River Co., privately owned by the Brooks interests of Minneapolis, is the largest newsprint operator west of the Great Lakes. Its plant at Powell River, B.C., has a capacity of around 224,000 tons annually, which makes it the sixth largest mill in Canada, and one of the biggest on the continent.

Powell River entered the pulp field in 1938 when it established a plant with capacity of 100 tons of sulphite a day, about 55% air-dry. Later work on the plant involved installation of a new dryer and baling press, permitting production of unbleached sulphite pulp 90% air-dried. There was no change at that time in the normal capacity of the plant.

Over the past year the company has spent an additional $1 million on an extension to its sulphite pulp mill.

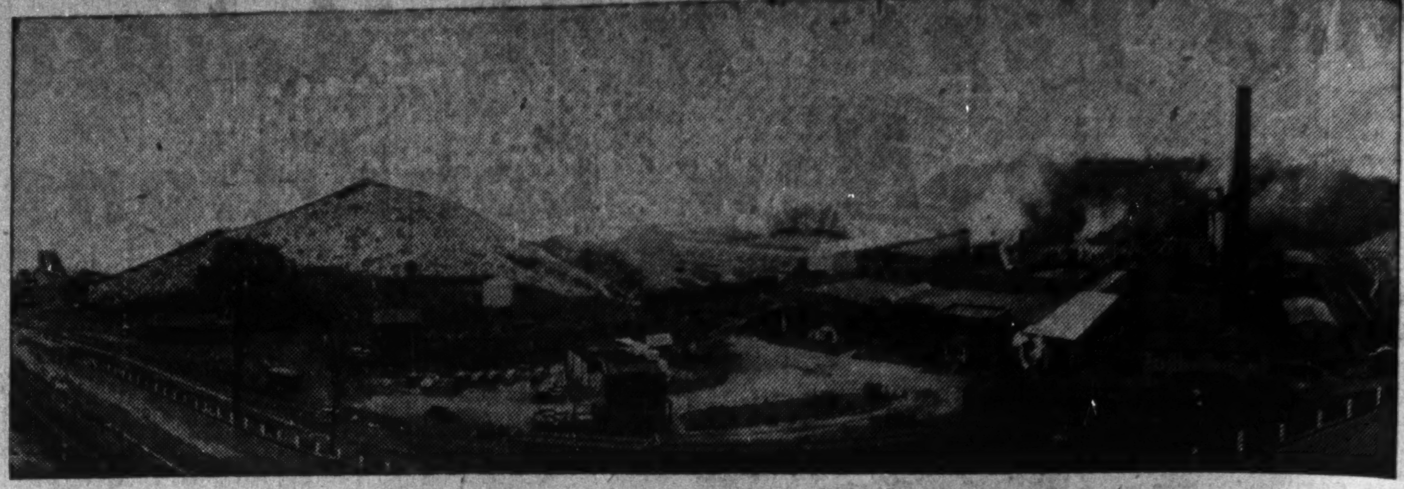
This addition brings the company's production of high-grade sulphite pulp up to 100 tons a day.

In addition to its newsprint pulp operations, Powell River Co. is also engaged in the manufacture of five different types of building papers.

Pacific Mills

Pacific Mills Ltd., Canadian operating subsidiary of Crown Zellerbach Corp., recently completed installation of additional equipment at its Ocean Falls plant at a cost of $585,000.

Operations of Pacific Mills are well diversified. The plant is capable of producing about 75,000 tons of newsprint annually. In addition there is a fairly large surplus output of sulphite and sulphate pulps and equipment to process around 30,000 tons of wrapping paper and various specialty papers.



DONNACONA PAPER COMPANY LIMITED

CAPACITY OF MILLS
85,000 Tons Newsprint
96,000 Tons Groundwood Pulp
45,000 Tons Sulphite Pulp
75,000,000 sq. ft. Insulating and Building Board

WOODPULP and SULPHITE PULP MILLS
NEWSPRINT - DONNACONA BOARD
And Other Pulpwood Products

The mill is located on tide-water on the St. Lawrence River at the mouth of the Jacques Cartier River affording excellent water transportation. The Company's timber limits, excellently located in relation to its plant, contain over 4,250,000 cords of wood.
The Company also owns valuable water powers, developed and undeveloped, situated within a few miles of Donnacona.

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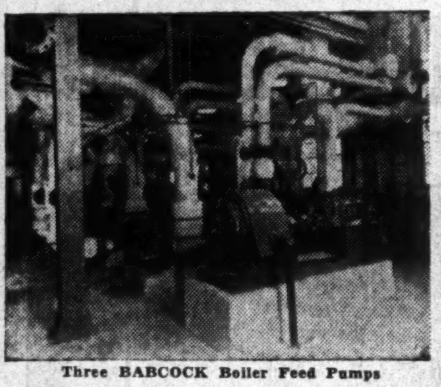
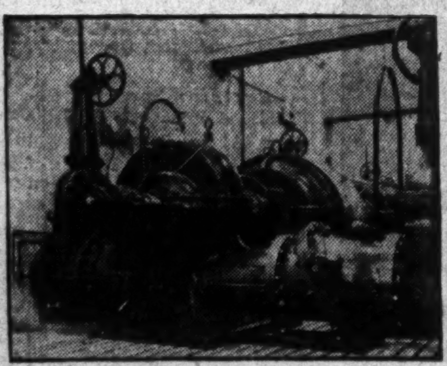
Photograph by G. D. Scott.

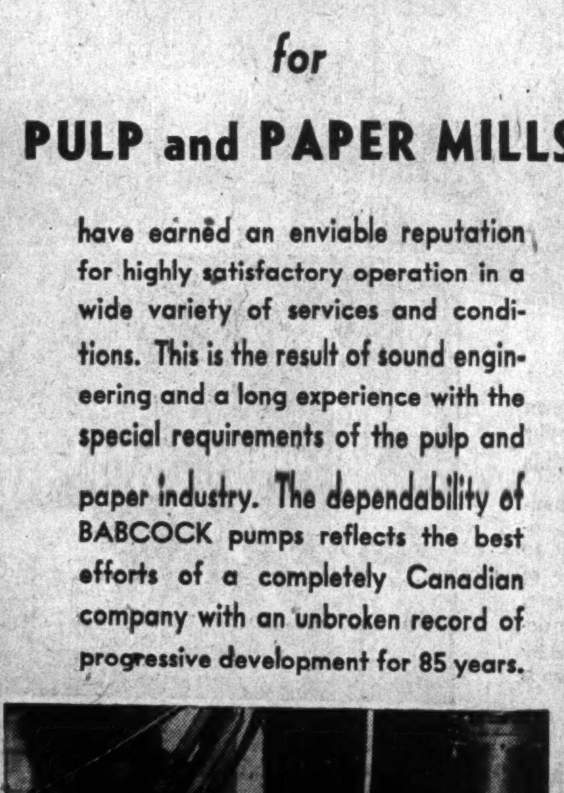


Three BABCOCK Boiler Feed Pumps

BABCOCK Steam Turbine driving two-stage centrifugal pump



Centrifugal Pump for service water. Capacity 13,000 g.p.m. . . . 700 h.p. motor



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PUMPS
for
PULP and PAPER MILLS

have earned an enviable reputation for highly satisfactory operation in a wide variety of services and conditions. This is the result of sound engineering and a long experience with the special requirements of the pulp and paper industry. The dependability of BABCOCK pumps reflects the best efforts of a completely Canadian company with an unbroken record of progressive development for 85 years.

BABCOCK
PAPER STOCK PUMPS
Single stage, single suction centrifugal pump for handling paper stock. ➡
Cannot get air-bound.
This installation pumps 3.5% Sulphite Stock 415 i.g.p.m. against a 30 ft. head.

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Montreal Toronto GALT, CANADA Winnipeg Vancouver

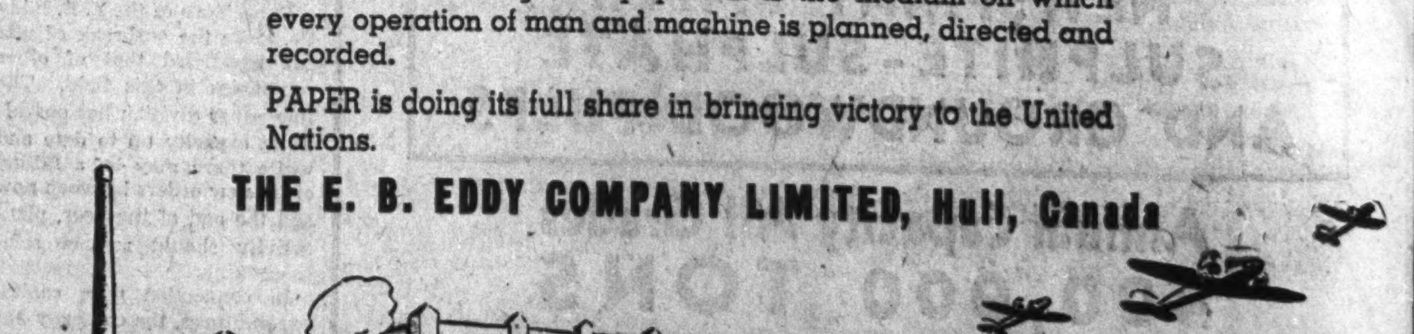
Pulpwood
_a vital factor in the battle of production

Logs in an endless chain flow from the timber limits of The E. B. Eddy Company Limited to the mills at Hull, there to be converted into many kinds of fine papers, to assist in a vital part of the war effort.

For paper is the lifeblood of war industry. The construction of every plane, every ship, every item in the vast armament programme starts, and follows through, on paper. It is the medium on which every operation of man and machine is planned, directed and recorded.

PAPER is doing its full share in bringing victory to the United Nations.

THE E. B. EDDY COMPANY LIMITED, Hull, Canada



Major Newsprint Makers

(Continued from page 19)

1942 stood at $1.3 millions. This represented an improvement of nearly $600,000 over the past seven years.

Currently operations are well-maintained. A ready market exists for the company's production of unbleached sulphite, while no particular difficulty has been experienced in securing an outlet for groundwood. Demand for insulating board continues high. The only department not operating at capacity is newsprint.

The generally easier situation in the pulp and paper market is expected to be reflected in the revenue statement for the current year. The change in the outlook for the industry and the company is indicated by the fact that no further dividend action has been taken by the directors since the initial dividend of 10 cents a share was paid on the Class "A" stock last October.

Toward the close of last year, shareholders voted approval of a by-law abolishing division of the company's capital stock into Class "A" and "B" shares. As from the beginning of the current year, the "A" and "B" shares were merged into one class of stock to be known as no par value common. There was no change in the amount of capital with which the company will carry on business, while each share of the new stock will be entitled to one vote. Under the old setup, voting power was confined solely to the Class "A" stock.

E. B. Eddy

While primarily known as a fine paper producer, the E. B. Eddy Co., of Hull, P.Q., has a newsprint installation capable of producing nearly 47,000 tons annually.

No particulars are made public by the company as to its operations or earnings. Control is privately held, the minority interest being with Gatineau Power Co.

This company is subject to pro-rating so that it may be assumed volume of newsprint production has of late turned downward. Last year the pro-rated mills operated at nearly 75% of capacity, but it is likely that results for 1942 will show the operating ratio at 70% or even less.

Details concerning the company's activities in other fields will be found in the section dealing with the fine paper manufacturers.

Gt. Lakes Paper

Great Lakes Paper Co. is a producer of newsprint and unbleached sulphite pulp with mills near Fort William, Ont. This year the company has installed new sulphite pulp producing capacity which will make an additional 40,000 tons of unbleached sulphite pulp available for sale. Special depreciation is being allowed for tax purposes on cost of the new equipment which will permit this amount of about $300,000 to be written off over 1942, 1943, and 1944.

Great Lakes Paper has a special arrangement whereby it is guaranteed a minimum of 87,500 tons of newsprint annually, extending under contracts to the beginning of 1947, with the option of prolonging the contracts to the end of 1950.

The company is currently paying dividends on its classes A and B preference stocks with payments in 1941 totalling $1.50 a share compared with $1.25 paid in 1940. After the payment made July 2 of this year, arrears on these two stocks amounted to $9.25 a share.

Lake St. John

Lake St. John Power & Paper Co., controlled by St. Lawrence Paper Mills, operates a 100,000 ton capacity newsprint mill at Dolbeau in the Saguenay area.

Last year the company operated on a basis of 74% of rated capacity in comparison with 75% in 1940.

At the outset of its career, the company signed a contract to sell its entire output to the Hearst chain of newspapers. This arrangement did not prove as valuable as originally anticipated, and in 1936 the company went through a reorganization.

Lake St. John still has its Hearst contract, but is not wholly dependent upon it for the reason that arrangements were made some time ago whereby other operators took over part of the deliveries, permitting Lake St. John to accept other tonnage. However, the Hearst contract still provides the company with the major share of its business.

Because of the financial difficulties of the Hearst newspaper chain, the latter is heavily indebted to Lake St. John. This indebtedness amounted to over $1 million at the end of 1941. Payment is being made by the Hearst chain for current shipments, the notes owing representing claims made covering the period prior to the making of a new arrangement.

Lake St. John has experienced a downward trend in newsprint sales this year. Expectations are revenues will be lower and the company probably will not show more than 3% earned on its 6% preferred stock. Last year $5.75 a share was earned on the preferred.

It is estimated that revenues this year will cover depreciation and depletion, as well as bond and debenture interest, but the amount available for taxes and dividends will be very small.

James Maclaren

James Maclaren Co., wholly-owned subsidiary of Maclaren Power & Paper Co., operates a 100,000 ton newsprint mill at Buckingham, P.Q. In addition, the company is an important lumber operator. The latter division has contributed substantially to earnings in the last three years as the war has brought about a marked in-increase in demand for lumber and lumber products.

Last year James Maclaren had gross revenue, principally from the sale of newsprint, of $3.6 millions. This represented an increase of $300,000 over the previous year and indicated production was maintained at about the same level. After provision for costs of sales, depreciation and other charges and taking into consideration other income, including U. S. exchange, and setting up tax provision of $350,000, there was a net income of $446,728. This contrasted with $660,105, before income and excess profits taxes, the year before.

Newsprint operations of James Maclaren follow the same general trend as that for the other mills working under the pro-rating scheme. While production for the first half of the year compared favorably with the like period a year ago, output has tended to fall off since then. Expectations are that sales for 1942 will be on a smaller scale than in 1941. The decline in gross income, together with higher taxation, is expected to bring about a reduction in net profit.

M. & O. Paper

Minnesota & Ontario Paper Co. is a medium-sized producer of newsprint, wallboard, kraft papers, pulp of various kinds and other specialties. This

(Continued on page 24)

H. G. Acres & Company

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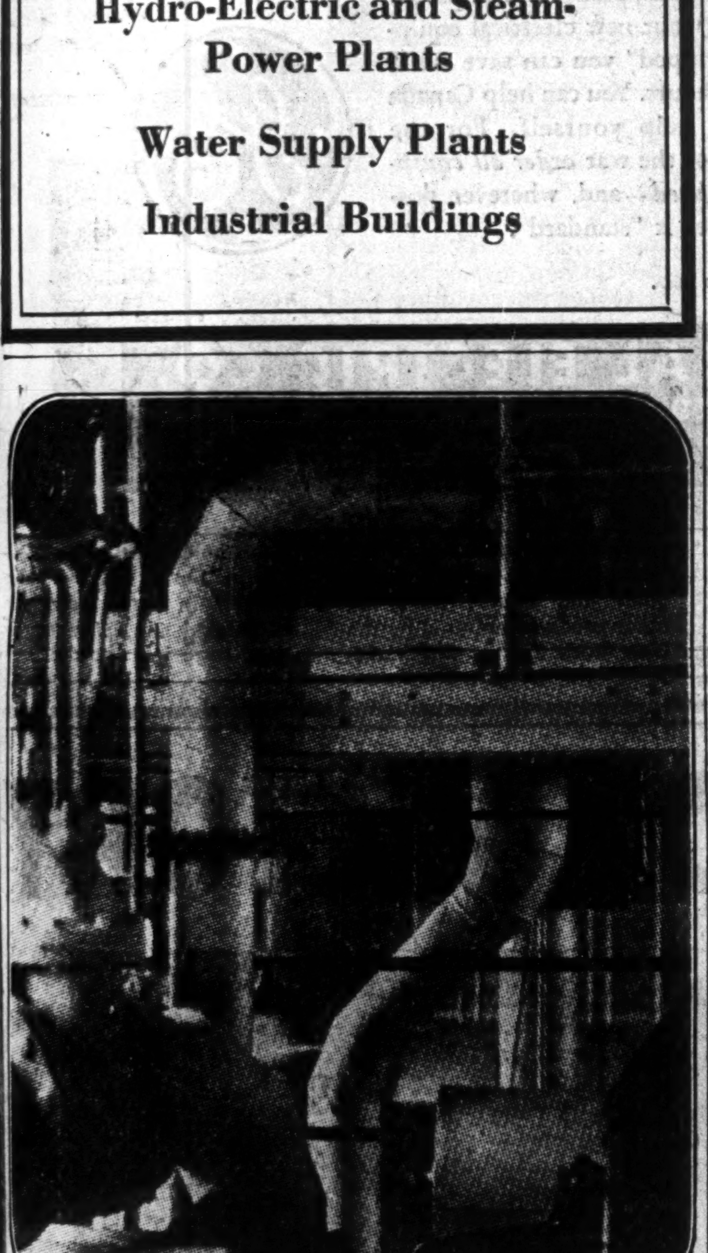

USE THIS 6" TO 36" PIPE FOR WAR-TIME NEEDS

WHEN the war effort demands new paper mill piping you can be sure of a good job by using ARMCO Spiral Welded Pipe. Specify it in any diameter from 6 to 36 inches for plant piping or water supply lines.

Every foot of "Spiral Welded" is prefabricated to fit your layout. Fewer flanges and fewer joints are the rule because fittings come welded to straight pipe runs. The pipe and fittings can be prime coated outside only or hot-dip galvanized after fabrication. For your water supply lines you can get ARMCO Pipe with a spun enamel lining, which assures sustained carrying capacity.

Use ARMCO Spiral Welded Pipe for maintenance work or new lines. By specifying economical lengths up to fifty feet you can reduce costs and speed the work.

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The CANADA INGOT IRON COMPANY LIMITED

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HEAVE HO . . .

CANADA NEEDS YOU TO SHARE THE "PULL" . . .

SAVE MORE SCRAP . . .

METAL, BONES, OLD CLOTHING, PAPER!

Now is the time to "pull together" and do all we can to speed up the offensive from the home front. How can we do it? We can find new ways to support the National Salvage Campaign. It's up to YOU! The materials you save will directly help to make and transport aeroplanes, explosives, tanks, guns, shells and other supplies so urgently needed on the war front.

As a business man, paper conservation and salvage offer you the greatest opportunity to help and are most important to your business. If enough paper can be reclaimed to take care of paperboard requirements, it may not be necessary for board mills to draw on new pulp supplies that otherwise would be used in the making of the finer papers which help speed up business routine.

H & D corrugated boxes go to war! This corrugated shipping box illustrates one of the many ways in which Hinde and Dauch manufacturing and package engineering facilities are now engaged in the war effort. If you have any packaging problems, either war or commercial, be sure to take advantage of the services of the H & D Package Laboratory and its experienced Package Engineers. Write today for information.

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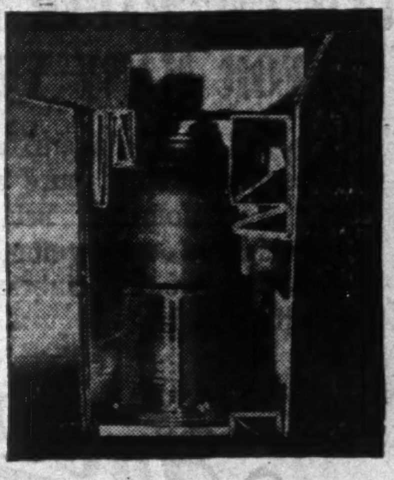
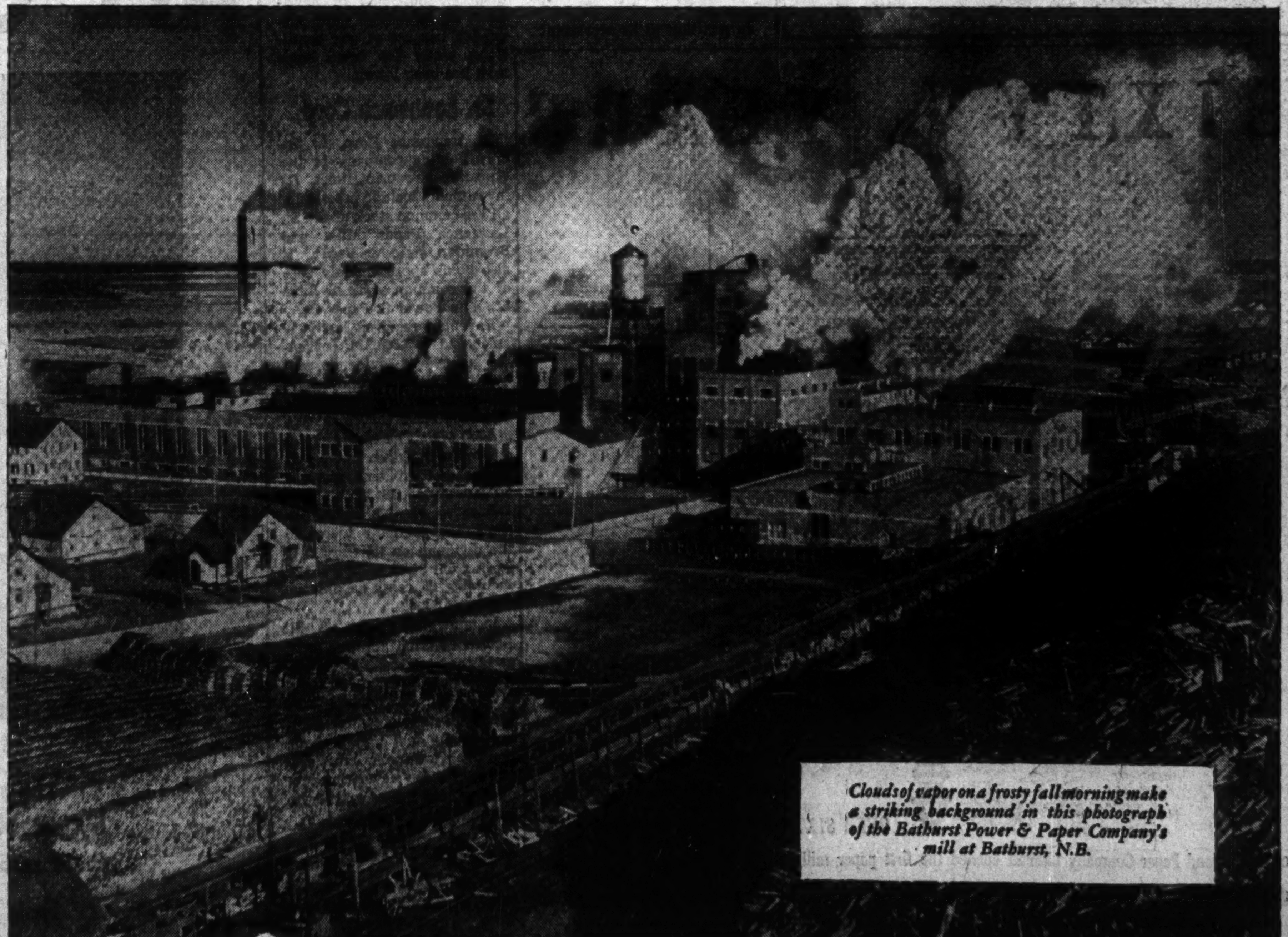




Clouds of vapor on a frosty fall morning make a striking background in this photograph of the Bathurst Power & Paper Company's mill at Bathurst, N.B.

BATHURST

POWER AND PAPER COMPANY LIMITED

Major Newsprint Makers

(Continued from page 23)

company operates both in Ontario and in the United States, producing most of its newsprint in Ontario.

In Feb., 1941, a reorganization was completed with bondholders securing practically the entire interest.

Minnesota & Ontario has just reported the first six months of 1942 showing 49 cents a share earned on its new common stock as compared with 36 cents a share in the corresponding period of 1941. Sales volume is substantially higher this year but operating costs and taxes require most of the higher income.

Since it was reorganized, this company has made rapid progress in reducing its funded debt. At May 1, this year it had $9.6 millions outstanding as compared with $12.2 millions originally issued.

Operations have been interrupted from time to time by power difficulties which were partly eased by a contract with Winnipeg Electric Co., for purchase of power. In March, last year the company received authority to proceed with the installation of additional steam power generating capacity at International Falls but a recent announcement indicates that this installation will have to be deferred for the duration of the war. Construction has been completed to the stage of awaiting installation of the steam turbine generator.

Ontario Paper

First casualty of the official programme to conserve electrical energy for southern Ontario war industries is Ontario Paper Co. After Oct. 1 no power will be delivered to this company except a very limited amount sufficient to utilize the pulpwood stockpile on hand. Tonnage handled by Ontario Paper will reportedly be diverted to mills at the head of the lake. The company's plant has been supplied with 30,000 h.p.

Newsprint production from the Ontario Paper Thorold mill goes to its publisher-owners, the Chicago Tribune. Output from the Baie Comeau unit in Quebec goes to the New York Daily News.

Press reports have stated that the newsprint needs of the Chicago Tribune can be supplied from mills at Fort William and Port Arthur which would mean a saving in shipping space. The claim is put forth that at present pulp wood is taken to Thorold from Heron Bay on Lake Superior and the manufactured paper is then taken back up through the lake and delivered at Chicago. Information to The Financial Post states that less than one-third of the wood used in Thorold is produced at Heron Bay with the other two-thirds coming from St. Lawrence River points. This wood is brought into Thorold as returned cargo on ships carrying coal from Lake Erie and bauxite from Buffalo and Oswego for war production plants east of Quebec.

If these pulpwood cargoes were not available, the ships would have to return in ballast as there is no other boat cargo in quantity moving west, it is stated. When paper is transported by water eastbound to Chicago, the only boat cargo that is available for westbound voyages is coal out of Chicago. The tonnage of coal out of Chicago has been negligible until this season. It is now being carried by Ontario Paper ships from Chicago to Jackfish and Fort William.

Price Bros.

Price Brothers & Co. is one of the principal newsprint operators in Canada, its mills at Kenogami and Riverbend, P.Q., having a combined capacity of 375,000 tons annually.

Established over 100 years ago, the company undertook extensive lumbering operations in the Saguenay region. These operations gradually expanded until the company became one of the largest lumber producers in the Dominion. Today Price Brothers have three sawmills on the south shore of the St. Lawrence, with a combined capacity of about 75 million ft., board measure.

Several years ago the company entered into the manufacture of newsprint. This is now the principal source of its revenue.

In addition to its newsprint and lumbering operations, the company operates at Kenogami a cardboard and wrapping paper machine with a daily capacity of around 30 tons. Moreover, it leases a cardboard and specialty mill of 50 to 60 tons daily capacity.

Since the reorganization in the early part of 1937, the company has greatly strengthened its financial position. At the end of last year net working capital totalled $13.5 millions, of which over $5.7 millions consisted of cash and marketable securities.

Quebec North Shore

Quebec North Shore Paper Co. is a wholly owned subsidiary of the Ontario Paper Co., operating a newsprint mill at Baie Comeau, Que. This unit has a capacity of some 120,000 tons of newsprint annually and supplies the New York Daily News. The mill is the latest addition to Canada's newsprint industry, having been completed in 1938. The Outardes Falls power development which supplies the Baie Comeau mill, develops 75,000 horsepower.

St. Lawrence Paper

St. Lawrence Paper Mills is engaged solely in the manufacture of newsprint paper, its plant at Three Rivers having a capacity of nearly 190,000 tons annually. In addition it has a controlling interest in Lake St. John Power and Paper Co.

Last year revenues were maintained at the high level of nearly $1.6 millions. In addition, there was an income from its holdings in Lake St. John Power and Paper Co. of $108,000. Earnings on the preferred stock amounted to $3.98, or slightly less than in the preceding year.

At the end of last November the company declared a year-end extra of $1.50 a share on its preferred stock, as well as a dividend of 75 cents a share, payable January 15. This declaration, added to the three quarterly dividends of 50 cents each, previously paid, made a total of $3.75 a share in respect of 1941 earnings. This contrasted with $2.50 a share paid in 1940.

Further evidence of the betterment in position is indicated by the retirement early this year of 2,620 shares of preferred, leaving outstanding $13,718,100.

During the first quarter of the current year, operations of the company were well maintained. However, in the second quarter, shipments of newsprint to Australia were suspended because of war conditions, while the trend since then has been lower.

St. Lawrence Corp.

St. Lawrence Corp. is the only holding company in the Canadian newsprint field. Its investments include practically all the common stock of the St. Lawrence Paper Mills and Brompton Pulp & Paper. It also holds approximately 25% of the common stock of Lake St. John Power & Paper Co.

Revenues received last year amounted to $596,214, consisting entirely of dividends paid by Brompton Pulp and Paper. This contrasts with an income from the same source in 1940 of $521,679. The increase was due to the inclusion in the 1941 accounts of dividend received on January 15, 1942.

Because of the higher income, the company increased the dividend on its Class "A" stock from $1.75 to $2 a share, including 25 cents payable on January 15 last.

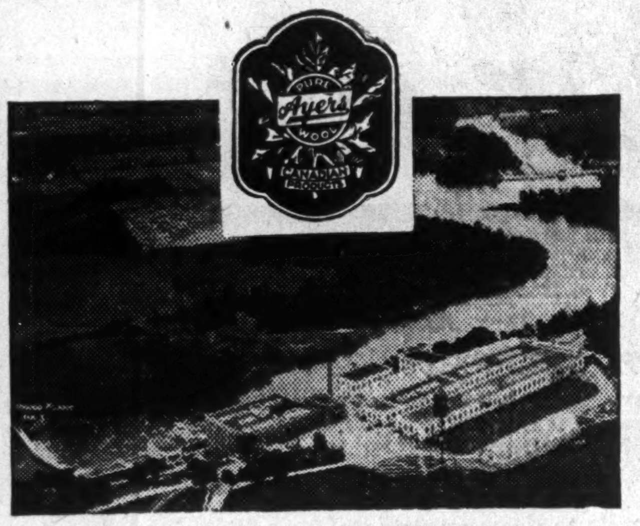
Income prospects of St. Lawrence Corp. for this year, as in the past, are entirely dependent upon Brompton.

Operations of Brompton have been well-maintained this year, due to the fact that a ready market exists for its kraft output, while the newsprint production is all under contract to International Paper Co.

Spruce Falls

Owned jointly by Kimberly-Clark Corporation and the New York Times, Spruce Falls Power & Paper Co. is an important member of Canada's newsprint industry. It was recently announced that the company is being extended tax assistance by the Dominion to complete a $925,000 addition to its mill at Kapsuskasing, Ont. Increased pulp exports which will be possible are expected to bring in $1.3 million in U.S. exchange annually. The plan called for $570,000 to be spent on new buildings and equipment for rossing plant, $195,000 for five circulating systems and $160,000 for a screen room.

Present capacity is about 550 tons of newsprint, 440 tons of groundwood pulp and 230 tons of sulphite pulp daily. The company has a contract with the New York Times to supply its newsprint requirements, which amount to about 50% of mill capacity. Kimberly-Clark has a contract to purchase the company's surplus output of sulphite and handle sales for other products not used by the New York Times. Kimberly-Clark holds a controlling interest in Spruce Falls. Public interest in Spruce Falls was eliminated in 1937 when its bond issue was refunded.

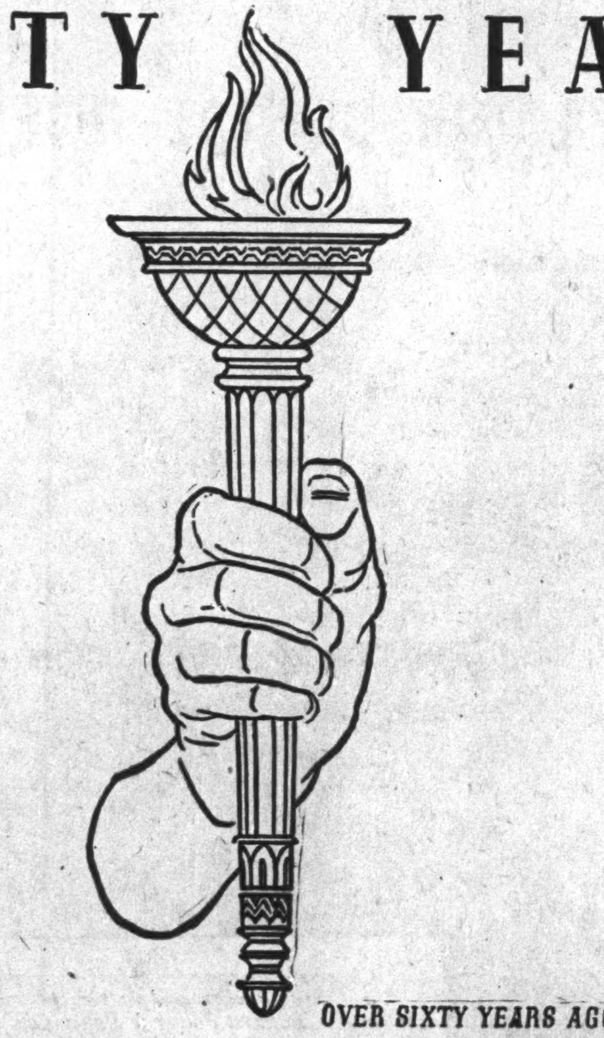


SERVING THE
PULP AND PAPER INDUSTRY
FOR MANY YEARS

Pulp and Paper makers' felts, cotton transmission rope, pure wool blankets for domestic use, machine clothing and stereotyping, travelling rugs and woollen fabrics for the clothing trade.

Ayers
LIMITED

LACHUTE MILLS, QUE. Established 1870



SIXTY YEARS

OVER SIXTY YEARS AGO, when the founder of the Rolland Paper Company Limited opened the first paper mill in Canada, he laid down a standard of craftsmanship and quality. Since then, the succeeding generations of the Rolland family have adhered strictly to that established criterion in the production of every form of paper that they have made... papers that represent the highest possible quality in their price class and lend themselves readily to the finest products of the Graphic Arts. In the purchase of paper for your particular requirements, to specify a Rolland product will always assure a sheet that is best suited to the type of work you have in hand.

ROLLAND PAPER COMPANY LIMITED
High Grade Paper Makers Since 1882
MONTREAL, QUE.
Branch at TORONTO, ONT. Mills at ST. JEROME and MONT ROLLAND, QUE.

HELP CANADA'S
WAR EFFORT...
by Ordering
"STRIPPED" Equipment*

EVERY last ounce of metal... every last man-hour of productive effort... are needed today for WAR. Time and material normally available for the metal enclosures, special arrangements and refinements of electrical equipment are required, urgently, *now* for the production of tanks and guns, planes and ships. By accepting your new electrical equipment "stripped" you can save metal and man-hours. You can help Canada and you help yourself. For the duration of the war *order all equipment stripped*—and, wherever possible, order it "standard".

*The bare essentials to do the job.

CGE-2342

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LIMITED
Sydney • Halifax • St John • Quebec • Sherbrooke • Montreal • Ottawa • Toronto • New Liskeard • Hamilton • Sudbury • London
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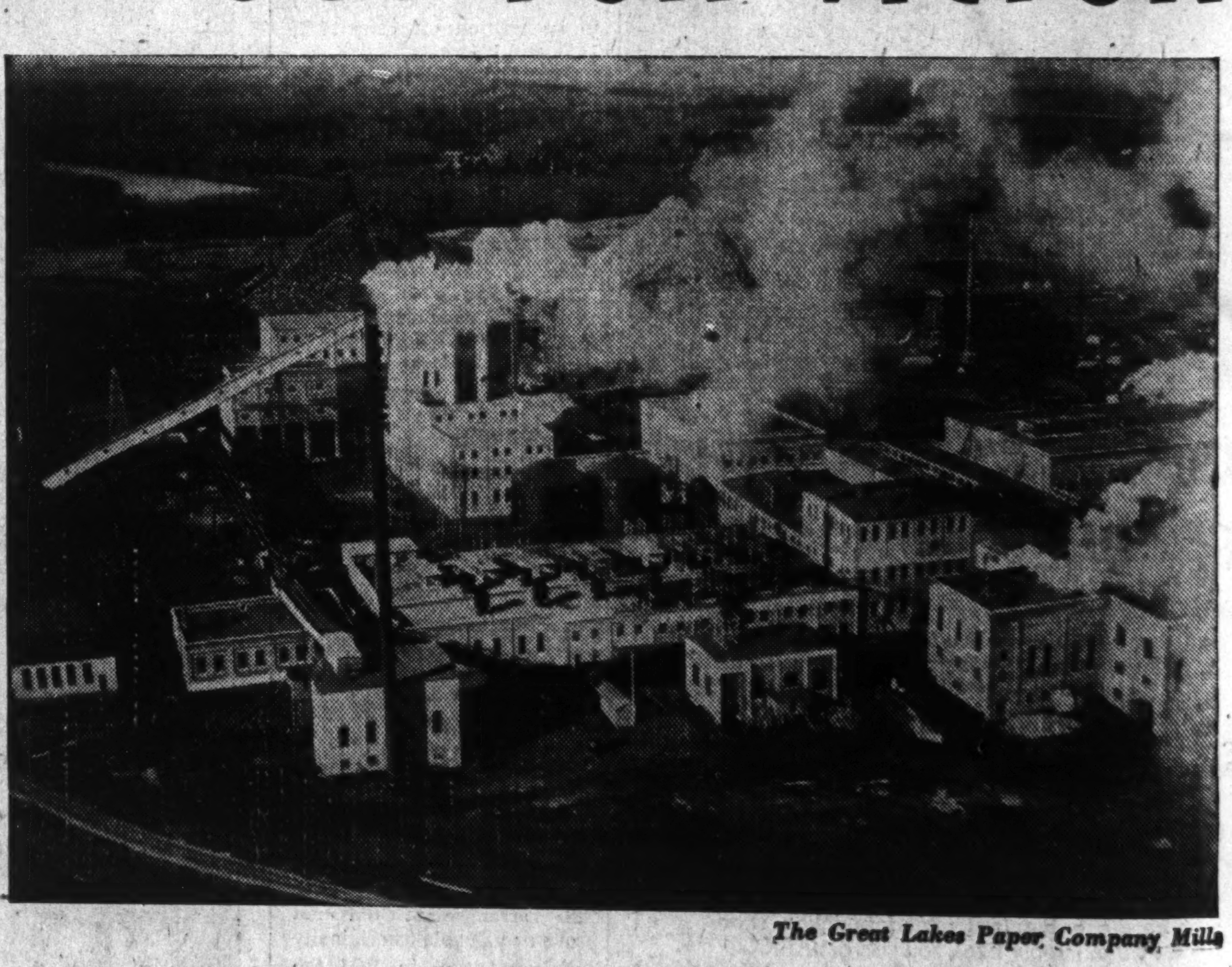
ALL OUT FOR VICTORY



The Great Lakes Paper Company Mills

The strength of any nation at war is determined to a great extent by the Natural Resources of the country and its ability to convert these resources to tools of war.

From trees to tanks and guns and planes is a long process requiring millions of dollars. The Great Lakes Paper Company, Limited exports over 99% of its entire output to the United States, thereby producing millions of dollars annually in Foreign Exchange, with which to purchase the tools of war.

TORONTO OFFICE
55 York St.

The Great Lakes Paper Company
LIMITED

Mills:
FORT WILLIAM
Ontario

Insulating Board Sales Boom

Canadian Product Used From Arctic to Tropics

Insulating board which only a few years ago was regarded as a comparatively unimportant branch of the pulp and paper industry, has assumed considerable importance under wartime conditions. Since the outbreak of war, operations have been on a capacity scale and there seems to be no limit to the demand for this product.

Last year the board mills in Canada produced better than 500,000 tons, an all-time record. Fifteen years ago production amounted to only 155,000 tons. In 1936 it was 364,000 tons.

Due to improvements, use of board for insulation, interior decoration, temporary structures and for acoustical purposes—the demand has grown very rapidly in the last five years.

Prior to the outbreak of war, production was greatly stimulated by the National Housing Act and the Home Improvement Plan. Millions of dollars were spent on home improvement and there was a sharp upswing in sales of board.

The war brought additional demands for insulating board for erection of temporary shelters in the bombed-out areas of England and for more permanent shelters for troops in England, Canada, Newfoundland, the West Indies, Iceland and elsewhere.

Practically all the production of insulating board in Canada is accounted for by four firms —Donnacona Paper Co., International Fibre Board Co., Masonite Corporation of Canada, and Building Products Ltd.

Photo—Public Information.

Key to newsprint's manpower is held by Labor Minister Humphrey Mitchell and National Selective Service Director Elliott Little. Theirs is the decision whether workers are needed more in pulp and paper mills than in the armed forces or other wartime industries. Duty of R. L. Weldon, newly appointed newsprint administrator, is to follow up the Mitchell-Little team, see that what they leave is fairly allocated throughout the industry.

Building Products

One of the earliest operators in the field was Building Products Ltd. It undertook the manufacture of insulating board around 1930. Previous to that it had been engaged in producing building material, with plant operations centred in Quebec and Manitoba.

Increased demand, even above the record level established in 1940, is indicated by results of operations in 1941, when operating profit was $128,000 greater than in 1940. In the earlier year, volume of business transacted by the company had set a new all-time record, even after excluding orders received direct from the Department of Munitions and Supply, and shipments of considerable proportion to Great Britain.

Demand continues good for low-cost housing projects, especially in industrial centres where war work is being done. Repairs and remodelling also continue at a good rate. These are the fields in which the company's products are most used, and accordingly sales outlook continues to be favorable despite a decline shown in construction figures as a whole.

While costs are somewhat higher, the supply of raw materials has not as yet been seriously affected either by priorities or shortages due to the war.

Inter. Fibre Board

Probably the earliest company in the fibre board field was International Fibre Board Ltd., controlled by International Paper Co. Around 1926 it took over a plant at Midland, Ont., to manufacture insulating board. A new plant was built later at Gatineau, designed for an ultimate capacity of 600,000 sq. ft. of board per day.

The output of this company is known to be of record proportions, but no particulars are available as to sales or earnings. Operating returns are consolidated with those of the parent company, International Paper Co., which owns all of the capital stock with the exception of a small amount of preferred.

Masonite

Associated with International Fibre Board is Masonite Company of Canada, the ownership of which is divided equally between Masonite Corp. and Canadian International Paper Co., the latter being a subsidiary of International Paper Co.

Shortly after the outbreak of war, work was started on construction of a $300,000 plant at Gatineau to manufacture all grades and types of board products made by Masonite Corp. and which had hitherto been imported. The demand exceeded expectations and shortly after opening of the plant, a $75,000 addition was constructed.

Donnacona

Operating in this field is Donnaconna Paper Co. This operator was early in the field and has spent a large sum on its plant about 30 miles west of Quebec City.

Unlike other manufacturers, Donnacona's board mill is not as important as a revenue-producer as it is a factor in keeping down operating costs. It fits in well with the company's general scheme of operations, which are designed primarily for the production of newsprint and pulp.

Operations of the board mill have been conducted at capacity for many months. The output has been widely used in construction of buildings for the armed forces in almost every part of the Empire.

(Continued from page 21)

Provincial Paper

Provincial Paper Ltd. is one of Canada's leading producers of high-grade book, bond, coated and writing papers. It is controlled by Abitibi Power & Paper Co. through ownership of the entire common stock.

Operations of Provincial Paper have been at capacity recently and it is expected that the total production this year will exceed that of 1941. Elimination of special grades, colors, sizes and weights has helped to maintain production in standard lines.

Public interests in Provincial Paper is confined to the 5½% first mortgage bonds of which there are $3.1 million outstanding and 35,000 shares of 7% preferred. Bond interest has always been earned by a wide margin and the company has paid dividends on its preferred stock each year since it was issued. Dividend payments on the common, all of which is held by Abitibi, have been irregular, the last payment being 90 cents a share in 1937.

The financial position is unusually strong. A feature of some proposals to re-organize Abitibi has been that the current company should dispose of holdings of Provincial Paper.

Newsprint Milling Operations Slacken

Newsprint mill operations are now at the lowest point they have been in the last three years. Only about two thirds of the existing manufacturing facilities are being used. This in turn directly reflects the difficulty in securing ocean shipping for carrying newsprint to markets other than the United States. It also reflects in part the overstocked position of some of the U. S. publishers.

From present indications mill operations for 1942 are unlikely to average over 70% of effective capacity.

(Percentage of Capacity)

	1942	1941	1940
Jan.	84.3	71.5	68.5
Feb.	81.4	72.9	65.8
Mar.	79.9	75.5	68.6
Apr.	75.0	76.7	73.4
May	68.0	75.1	85.1
June	65.6	77.9	89.5
July	65.2	80.4	90.8
Aug.	...	80.2	83.2
Sept.	...	84.9	83.5
Oct.	...	84.1	81.5
Nov.	...	85.5	77.1
Dec.	...	82.4	71.8

U. S. Newsprint Consumption Betters 3 Million Ton Mark

United States consumption of newsprint paper, over 70% of which came from Canadian mills, reached the high figure of 3,179,011 tons in 1941. This contrasted with less than three million tons the year before and just over three million tons in 1939.

New York continues to hold its place as the largest paper consuming state in the Union. It used 678,041 tons in 1941, or well over three times the amount used in all Canada. Illinois is the second ranking state, followed by Pennsylvania and California.

BROMPTON PULP AND PAPER
COMPANY LIMITED

Manufacturers of
Newsprint, Kraft
and Fibre Papers
Box Boards,
Shipping Case
Materials etc.

OFFICE — 820 SUN LIFE BLDG., MONTREAL
Mills at East Angus and Bromptonville, Quebec
and Nipigon and Red Rock, Ontario

PRICE & PIERCE
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1058 SUN LIFE BUILDING
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Head Office:
London, England

V stands for VICTORY
. . . — and VISION

Our eyes, with yours, are focused first on VICTORY. Working towards that goal we are becoming more and more engaged in designing and installing Ross Systems for war work to improve and speed up the production of war essentials.

The situation has naturally curtailed our efforts to meet all the equipment needs of our valued customers in the Pulp and Paper Industry. Only necessary war time limitations could possibly prevent us from giving our usual prompt attention to their immediate requirements.

VISION, however, carries our eyes to the period AFTER VICTORY — when newly developed systems for new manufacturing methods will likely replace many of the methods and systems of the past and present.

We are therefore prepared and anxious to study your problems now in connection with Pulp and Paper Mill Ventilation and Drying with a view to providing necessary equipment, properly engineered, just as soon as it can be made available.

We will welcome the opportunity to make these studies entirely without cost.

Pulp & Paper Mill
Heating, Ventilating,
Drying, Conditioning

* * *

Factory and Process
Heating, High and Low
Temperature Drying
and Processing

ROSS ENGINEERING OF CANADA, LTD.
Dominion Square Building, Montreal, P. Q.

NEWFOUNDLAND
OFFERS
NEW OPPORTUNITIES FOR CAPITAL INVESTMENT

Newfoundland & Labrador constitute one of the largest remaining sources of pulp timber in the world.

• • •

Newfoundland & Labrador possess inexhaustible sources of energy in undeveloped water powers.

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Great natural wealth together with unlimited power will ensure successful economic development and continuity of operation.

GREAT NATURAL WEALTH-UNLIMITED POWER-OPPORTUNITY
AWAIT THOSE WHO HAVE
THE FINANCIAL MEANS AND THE POWER OF INITIATIVE
TO AVAIL OF THEM.

Pulp and Paper Security Values Drop

Investors' Hopes Again Deferred, Financial Position Strong

—R.C.A.F. photo.

Paper serves the war in many indirect but highly important ways. The fact-packed booklet being studied here is an instruction manual prepared by International Harvester Co. of Canada dealing with the special tractor operation and maintenance course it inaugurated for the Royal Canadian Air Force at Lethbridge this spring. Since then a similar course has been opened at Hamilton. Manuals such as these ensure the placing of trained men in all departments for fullest air force efficiency.

Pulp and paper security values over the past year have followed the same trend as the general market—downward.

With hardly an exception stocks and bonds are selling currently at the lowest point in the last couple of years.

This is not necessarily indicative of any "souring" in the position of this group of securities, though at the moment it can hardly be said the outlook is overly bright.

The whole market has declined. Government regulations; stiffer taxes; war news and a score of other factors have combined to depress security values.

It is a curious anomaly that Canada's greatest manufacturing industry has, from the investors' point of view, been an exceptionally unproductive one.

In the matter of employment, capital invested, annual value of production and all the other yardsticks by which an industry's greatness are judged, pulp and paper ranks ahead of other Canadian industries.

Despite this greatness of stature, investment in pulp and paper securities, especially those representing equities, has been bitterly disappointing for thousands of investors in this country, the United States and Britain.

There have been times when hopes have run high. In 1937 the industry ran at capacity. Demand was excellent. Prices were relatively good. Larger profits were reported. But, by far the greater number of investors did not share in this improvement.

The following year registered a moderate recession. Then came the war and another upward surge in demand and profits. 1940 was a good year, 1941 even better.

Taking the last four years as a group it may be said that the industry has done exceedingly well. Arrears of bond interest have been paid. In one or two cases dividends were paid. By and large, however, the return on capital invested in the pulp and paper industry—$600 millions—is pitiably small.

It must be admitted general market conditions have militated against a rise in pulp and paper security values this year. Other groups are experiencing conditions as good, if not better, but they, too, have registered a steady decline in value.

Values Misleading

To judge the pulp and paper industry by the market value of its bonds and stocks would be misleading. When comparison of the current position of the industry is made with that existing back in 1933 and 1934—when the entire industry was practically bankrupt — it will be seen that very considerable progress has been made.

It is a fact that the position of Canada's pulp and paper industry today is stronger financially than it has been at any time in more than a decade.

With the exception of Abitibi Power & Paper, all of those companies which went into bankruptcy during the depression period have been reorganized and placed on a sound footing.

Heavy bank loans have been eliminated or reduced to negligible proportions. Bonded debt has been reduced. Arrears of interest have been paid. Dividends have been resumed in a few cases. Working capital has been bettered.

The change for the better has been especially marked since the outbreak of the war. The dependence of the greater part of the free world upon Canada for pulp and paper supplies, has enabled operations at mill capacity. For the first time in nearly two decades the industry has been able to show what it can do when operating at or near capacity.

From 1939 to 1941, 17 of the leading companies in this field effected a net improvement of nearly $70 millions in their financial position.

Over the three-year period this group added around $60 millions to net working capital.

At the same time they reduced floating and funded debt by some $9 millions or more.

The improvement recorded by the individual company in this group is set out in the accompanying table.

Market Unaffected

Compared with the depression low, pulp and paper securities have recorded a marked improvement in values, especially for the more senior securities. The market still regards the junior securities or equities as unseasoned and speculative.

Over the last eight months, not only the equity stocks, but the bonds have dropped in value. Of 17 actively traded bonds, only two have reported an improvement in price. Two others have held their position. The other 13 have recorded lower values.

Trend of Bond Values

	—1942 Range— Open	Current
Abitibi, 5's	74	57½
B. C. Pulp, 6's	93½	89
Brown, 5½'s	69	76½
C. I. P., 6's	105½	102½
Consolidated, 5½'s	79	62½
Donnacona, 4½'s	80	75
Dryden, 6's	101	101
Fraser, 6's	102½	102½
Great Lakes, 5's	94	91
I. P. of Nfld., 5's	90	94
L. St. John, 5½'s	91½	78
Mersey, 5's	98	93½
M. & O., 5's	95½	97½
Price, 5's	99	92
Restigouche, 6's	102	102
Rolland, 4½'s	102½	101
H. Smith, 4¼'s	104	103½

Equities Low

Aside from Abitibi and Consolidated, the declines do not indicate any trend inconsistent with the general market.

Despite the improvement in the financial position and the establishment of earnings on equities, the general market apathy has driven down the value of stocks to the lowest point in many months.

Trend of Stock Values—1942

	High	Low	Last
Abitibi	.75	.40	.55
Abitibi, 6% pfd.	7	4	5
Bathurst, A	14½	11	11½
Cons. Paper	3⅜	1⅜	1⅝
Donnacona, A	4	2	2¼
Dryden	6	3½	4
Fraser	13	7	7½
Howard Smith	14	9	8½
Price Bros.	11	7	7
St. Law., A	15½	9¾	9¾
St. Law. Paper, pfd.	43	24¼	24½

Conserve Profits

Over the last few months the position of the industry has steadily deteriorated. Newsprint operations have dropped from around 90% of capacity to about 65%. Fine paper demand has lessened. The pulp market is easier.

Though returns for 1942 are expected to reveal a maintenance of financial position, the position of equity holders is not expected to undergo any change.

There are good reasons both for and against any change in the industry's present dividend policy.

Against any change at this time is a group which believes in further strengthening the position of the industry and the individual operator.

They argue profits should be conserved to place companies in a position where they can meet and successfully overcome the intense competition which is foreseen in the after-war period.

The postwar period may call for large capital expenditures for the development of new products, replacement of equipment, etc., in order that the industry may hold its position in world trade.

The war has enabled the manufacturers to build up larger working capital than they ever have had and it should, it is argued, be conserved for contingencies.

Policy Support

Right at this time the industry is entering a period which may prove the justification of this policy.

As far as can be foreseen at this time, operating results over the next 12 months are not likely to be as good as they were in the past year.

Restriction on power deliveries, limited manpower, and lower demand, all combine to restrict prospective earnings.

There is justification for believing at this time that the pulp and paper industry has passed the peak of its wartime prosperity. For the duration the main problem of the industry probably will be to conserve its position.

$70 Millions Gain in Three Years

	Times Bond Interest Earned (before depreciation)		Debt Reduction (1939 to 1941)		Net Working Capital	
	1941	1939	Floating	Funded	1941	1939
Abitibi	(in receivership)		$	$ 6,274,710	$22,472,888	$10,772,657
Bathurst	2.30	0.20	105,000	(1)	3,649,709	2,483,448
B. C. Pulp	10.13	1.28	1,609,000	335,500	968,679	143,469
C. I. Paper	....	2.81	406,994	13,069,589	24,705,727	17,854,549
Consolidated	3.29	1.70	1,462,000	4,299,592	14,056,438	12,012,031
Donnacona	2.59	3.98	15,700	60,000	1,336,610	1,340,992
Dryden	5.62	2.25	25,000	70,500	571,626	487,022
Fraser	7.68	2.16	2,071,857	2,239,000	3,665,463	3,840,861
Great Lakes	6.52	3.47	....	67,000	2,616,710	1,960,864
Howard Smith	21.38	10.51	404,350	750,000	4,812,944	3,302,489
Lake St. John	4.01	2.49	436,500	231,000	3,203,766	2,084,271
Mersey	5.08	4.27	150,000	828,000	1,570,819	1,852,623
Price	8.75	4.36	2,322,000	1,411,000	13,525,733	9,745,148
Provincial	6.50	5.00	....	296,000	3,018,946	2,803,954
Rolland	6.77	5.58	....	225,000	1,007,189	884,228
St. Law. Corp. (2)	2.78	1.16		....	3,460,363	2,419,651
St. Law. Paper (3)	3.98	0.44	1,733,100	....	3,028,433	1,424,385

(1) No bonds—stock only.
(2) No bonds—returns for Brompton—St. Lawrence "A" stock.
(3) No bonds—earnings on preferred stock.

St. Regis Paper

St. Regis Paper Company of Canada, a subsidiary of the American company of the same name, operates on a limited basis.

At one time the company engaged in extensive pulpwood operations in Quebec, the wood being shipped by water to the parent company's plant in New York State. Some years ago it was proposed to carry out further expansion of the company's interests in Quebec, but the plan was deferred. In view of present circumstances, it is likely these plans will continue to be deferred indefinitely.

Niagara Wires

MODIFIED
LONGCRIMP
Fourdrinier Wires

Niagara Wire Weaving Company Ltd.
NIAGARA FALLS - ONTARIO
Largest Makers of Newsprint Wires in the World

IS SLIME THREATENING YOUR PROFIT MARGIN?

Are your profit margins affected by slime spots and slime breaks... blinded wires and clogged felts... dirty stock and obstructed water lines... stock losses from biological decomposition?

Good housekeeping, plus the use of Santobrite for microorganism control in your pulp system will solve these problems—effectively and economically.

Stable and relatively unreactive, Santobrite does not spend itself on organic matter. Non-corrosive to metals and non-volatile, Santobrite meets the demands of the paper and pulp industry for dependable chemical control of microorganisms. It is available in both briquettes and powder form and requires no expensive apparatus for satisfactory application.

Write for Monsanto Bulletins 0-5 and 0-22 which give full technical details, application data and approximate costs of treatment, and describe all six profitable uses. MONSANTO (CANADA) LIMITED, Montreal and Toronto.

SIX PROFITABLE WAYS YOU CAN USE SANTOBRITE

1. To control slime.
2. To preserve stored pulp lap.
3. To protect stock and size during shutdowns.
4. To treat felts to prevent rotting.
5. To reduce bacterial count on paper and container board.
6. To manufacture mildew-proof board and coated paper.

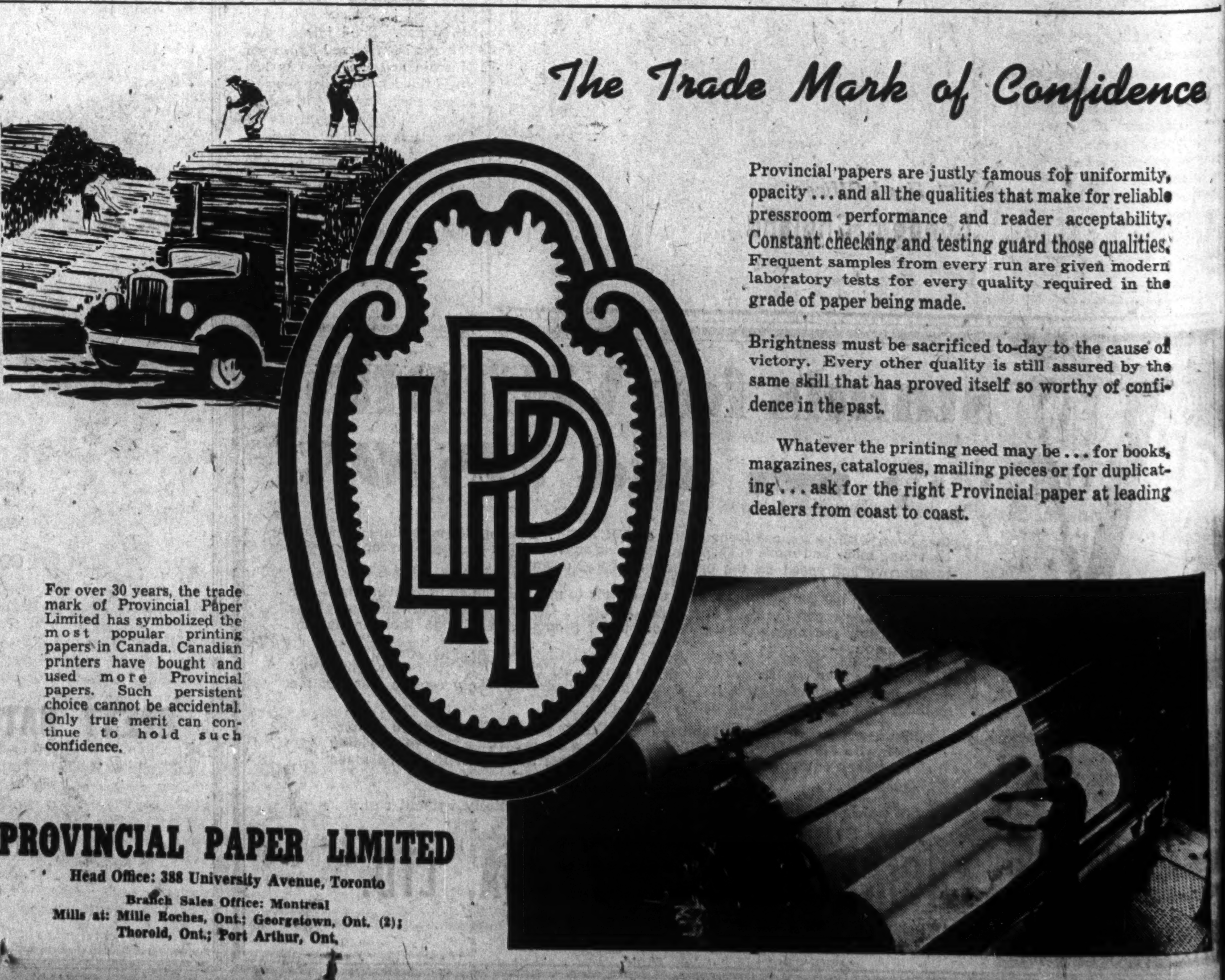
MONSANTO CHEMICALS
SERVING INDUSTRY . . . WHICH SERVES MANKIND

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que.
Iroquois Falls, Ont.
Pine Falls, Man.
Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont.
Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp



The Trade Mark of Confidence

Provincial papers are justly famous for uniformity, opacity ... and all the qualities that make for reliable pressroom performance and reader acceptability. Constant checking and testing guard those qualities. Frequent samples from every run are given modern laboratory tests for every quality required in the grade of paper being made.

Brightness must be sacrificed to-day to the cause of victory. Every other quality is still assured by the same skill that has proved itself so worthy of confidence in the past.

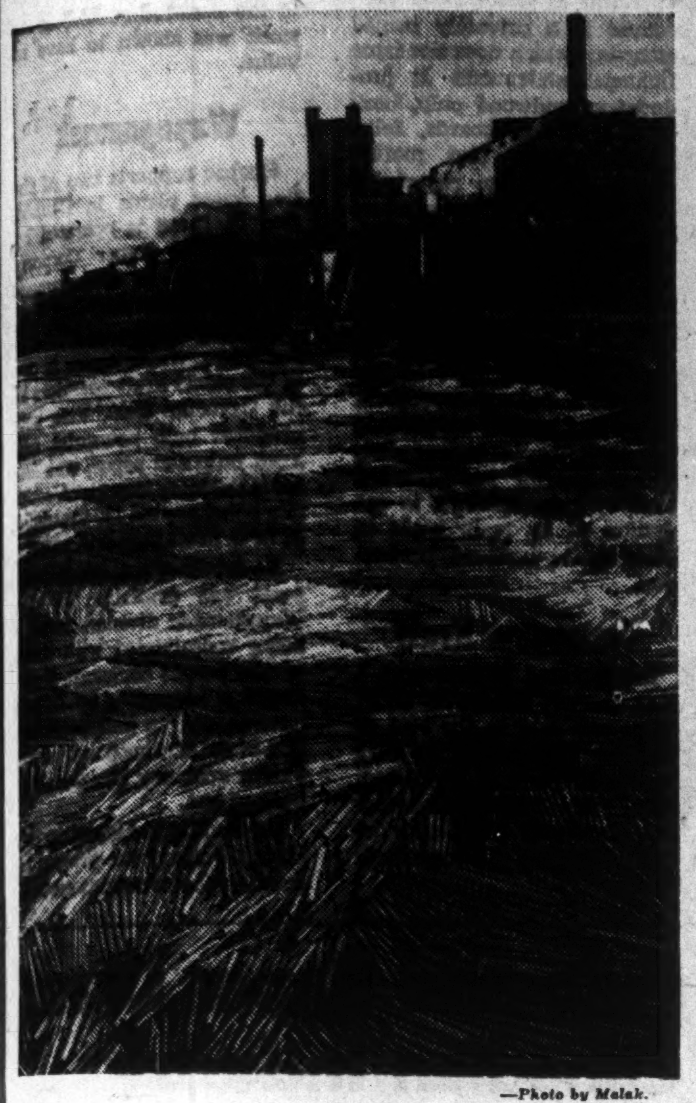
Whatever the printing need may be ... for books, magazines, catalogues, mailing pieces or for duplicating ... ask for the right Provincial paper at leading dealers from coast to coast.

For over 30 years, the trade mark of Provincial Paper Limited has symbolized the most popular printing papers in Canada. Canadian printers have bought and used more Provincial papers. Such persistent choice cannot be accidental. Only true merit can continue to hold such confidence.

PROVINCIAL PAPER LIMITED
Head Office: 388 University Avenue, Toronto
Branch Sales Office: Montreal
Mills at: Mille Roches, Ont.; Georgetown, Ont. (2); Thorold, Ont.; Port Arthur, Ont.

High Level Holds for Box Makers

Civilian Customers Governed by Essentiality of Their Trade



—Photo by Malak.

Government has been taking an increasingly important part in operations of the pulp and paper trade. Physically, the seat of Canadian government is right beside the industry as shown here with small spruce logs massing in front of a factory on the opposite side of Ottawa's Parliament Hill. These logs will be converted into paper.

Operations of Canadian paper box manufacturers generally are continuing at a level close to capacity. This high demand is expected by some trade authorities to hold up for at least the balance of the current year. So far this year business has been on a more even basis than last. Large customers have become educated to the situation in connection with supply and possible shortages and the result has been a more sustained demand, lacking some of the sharp fluctuations in buying that have occurred in the past.

The immediate outlook for paperbox companies is more of an individual affair, each company being affected by the type of customers it serves. Those manufacturers who supply companies engaged in less essential lines can look forward to some reduction in business from such sources. Civilian demand to date has been good, there being a particularly notable packaging business for foodstuffs and beverages. Where civilian business has tended to ease off, volume has been made up by governmental business, both direct and on a sub-contract basis.

New Shell Technique

Some manufacturers report a moderate easing off recently in war demand for their production. This is partially attributable to a different method now being used in packaging some types of shells. Former practice was to package shells in paperboard containers on their journey from the shell manufacturer to the shell filling plant. From the latter plant the shells would be sent on their way in metal containers. Practice now is to use the same metal containers for shipment from manufacturer to filling plant, thus eliminating use of the paperboard containers for these various types of shells.

Supply situation for box makers has been tight for some months, but recently has inclined to ease. This is partly due to an improved supply of waste, a necessary part of box manufacture, and constitutes something of a tribute to Canada's salvage campaign in this direction. To help conserve supply of raw materials and reduce operating costs a wide-ranging programme of simplification has been carried out by the paperbox industry. Reduction in the number of styles of cartons, cutting sizes of flaps, etc., has meant a very considerable saving to the industry. Only cartons that are necessary to protect goods in transit are now manufactured, such things as display cartons are entirely out.

Looking to the future, some in the paperbox trade see as a potentially important source of income the increasing attention being paid to dehydrated foods. Fairly large quantities of dehydrated foods are being sent to Britain and there is some reason to believe that this type of business will expand. Box manufacturers are hopeful that this will be reflected in an increased demand for containers.

Within the industry there is some discussion over the possibility of concentrating production. It is known that official surveys have been progressing on such questions as the industry's use of manpower, electric power, supply situation, etc. If the concentration principle is decided upon it will mean that some plants will be closed down and production centralized in a specified few units. Selection of these units would presumably be based on their capacity, location for delivery purposes, availability of supply, etc. Receiving most direct attention at the moment is the delivery question, idea being to avoid duplication of delivery facilities.

Gair of Canada

As with the industry as a whole, current operations of Gair Co. of Canada are understood to be on a level close to capacity. This is a wholly owned subsidiary of Robert Gair Co., of United States. In the quarter ended March 31, 1942, the Canadian company reported a profit of $83,446 after all costs and income taxes, comparing with $46,138 in the same quarter of 1941. In 1941, the company reported a gain of about $570,000 in sales to $6.7 millions.

Corrugated Paper Box

Corrugated Paper Box Co. makes corrugated and solid fibre shipping containers and folding cartons sold throughout Canada by the company's own sales force.

Last year the company experienced increasing volume, largely due to direct and indirect war orders, until it reached the point where output was limited by available raw materials. Like other companies in the business, operations of corrugated paper box were hampered by lack of adequate materials, a condition which has been largely rectified by the response to Canada's salvage campaign.

The company was among those convicted under combine charges early this year and finds totalling $20,000 were imposed on the company and its subsidiary, Hilton Brothers.

The company's directors are considering the best course to be adopted to deal with outstanding preference dividend arrears and outstanding income funding rights. Arrears on the 7% preference stock amounted to $14 a share at the end of 1941 with regular payments being made last year. Income funding rights were issued in 1936 in settlement of dividend arrears totalling $33.25 a share. More than half of the original 7,857 dividend funding rights have been redeemed up to the end of 1941.

Hinde & Dauch

Hinde & Dauch Co. of Canada is controlled by a company of the same name in the United States. The Canadian concern is a leading maker of shipping containers of various types, paperboard and straw paper.

The company states that mill divisions continued to operate at capacity in the first half of 1942 and again established new high tonnage peaks. Box factories operated steadily, although not at full capacity due principally to insufficient supply of raw materials. Some easing off in demand has been noticed due to restrictions on civilian production and a perhaps temporary lessening in direct war needs. An early shortage in waste paper, an important product in making paperboard and corrugated paper, has been alleviated due to response to the salvage campaign.

The company will be free from funded debt in 1944, leaving its common shares its sole capital obligation. Current dividends are being paid on this stock at the rate of 25 cents a share quarterly. The company's dividend history has shown payments made each year since 1933 although the rate has varied quite widely.

G. W. Hendershot

G. W. Hendershot Corrugated Paper Co., Hamilton, 1941 sales volume was the highest in the company's history, being 25% above 1940. Due to the war, requirements of some customers have been curtailed but to date this has been more than offset by direct government orders and increased demand from other outlets.

The company manufactures corrugated paper containers and allied products. Sales are made largely under contract with large department stores and distributors in eastern Canada.

Interlake Tissue

Plant of Interlake Tissue Mills at Merritton, Ont., has an annual capacity of some 10,000 tons. A wide range of paper specialties is manufactured by the company with products including paper napkins, towels, decorative crepe papers and similar products.

No details of the company's financial position are available, but it is understood that near capacity operations have prevailed in recent years. Capitalization consists of $625,000 of $100 par common shares.

Canadian Wallpaper

Canadian Wallpaper Manufacturers Ltd. is the largest producer of wallpaper in Canada.

In the year ended April 30, 1942, sales were slightly ahead of the previous year and a relatively small gain in gross profit was reported. Officials say that no accurate forecast as to future operations is possible in view of prevailing conditions.

The public interest in this company's shares is limited. It is a consolidation of four independent manufacturers in Canada organized by Wallpaper Manufacturers Ltd., an English concern which holds a substantial stock interest in the company. The company is making steady progress in reducing its serial bonds of which only $150,000 were outstanding at April 30, this year.

Westminster Paper

Westminster Paper Co. is a maker of wrapping papers, decorative papers and various specialties of many types. The company is interested in various export markets as well as distributing its products throughout Canada. Plant is at New Westminster, B.C. Last year the company's sales exceeded those of 1940 by more than $100,000 but lower profits were reported due to increased costs. Net was equivalent to $1.09 a share compared with $1.47 in the preceding year, with the regular 50 cent dividend being paid. Last year about $250,000 was spent in additions to plant equipment. Funded debt was eliminated in 1940.

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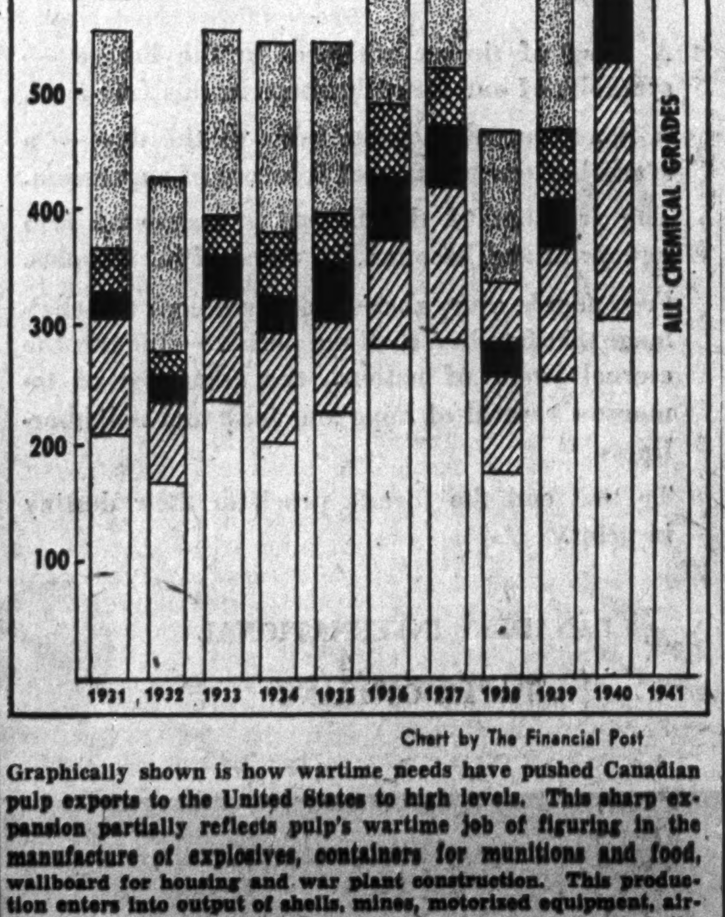

Chart by The Financial Post

Graphically shown is how wartime needs have pushed Canadian pulp exports to the United States to high levels. This sharp expansion partially reflects pulp's wartime job of figuring in the manufacture of explosives, containers for munitions and food, wallboard for housing and war plant construction. This production enters into output of shells, mines, motorized equipment, airplanes, radio equipment. Just as important in many respects is the way demand has been met for fine papers, kraft and wrapping papers, board and building paper.

DEPENDABLE
CHAIN
ELECTRIC WELD
FIRE WELD
BUTT WELD
LAP WELD
IN ALL QUALITIES
WELDLESS CHAIN OF MANY
PATTERNS for MANY PURPOSES
THE COMPLETE CHAIN LINE
FROM SHIP'S ANCHOR TO
PLUMBER'S SAFETY
ENQUIRIES FOR MANUFACTURERS'
SPECIAL REQUIREMENTS RECEIVE
PROMPT AND IMMEDIATE ATTENTION
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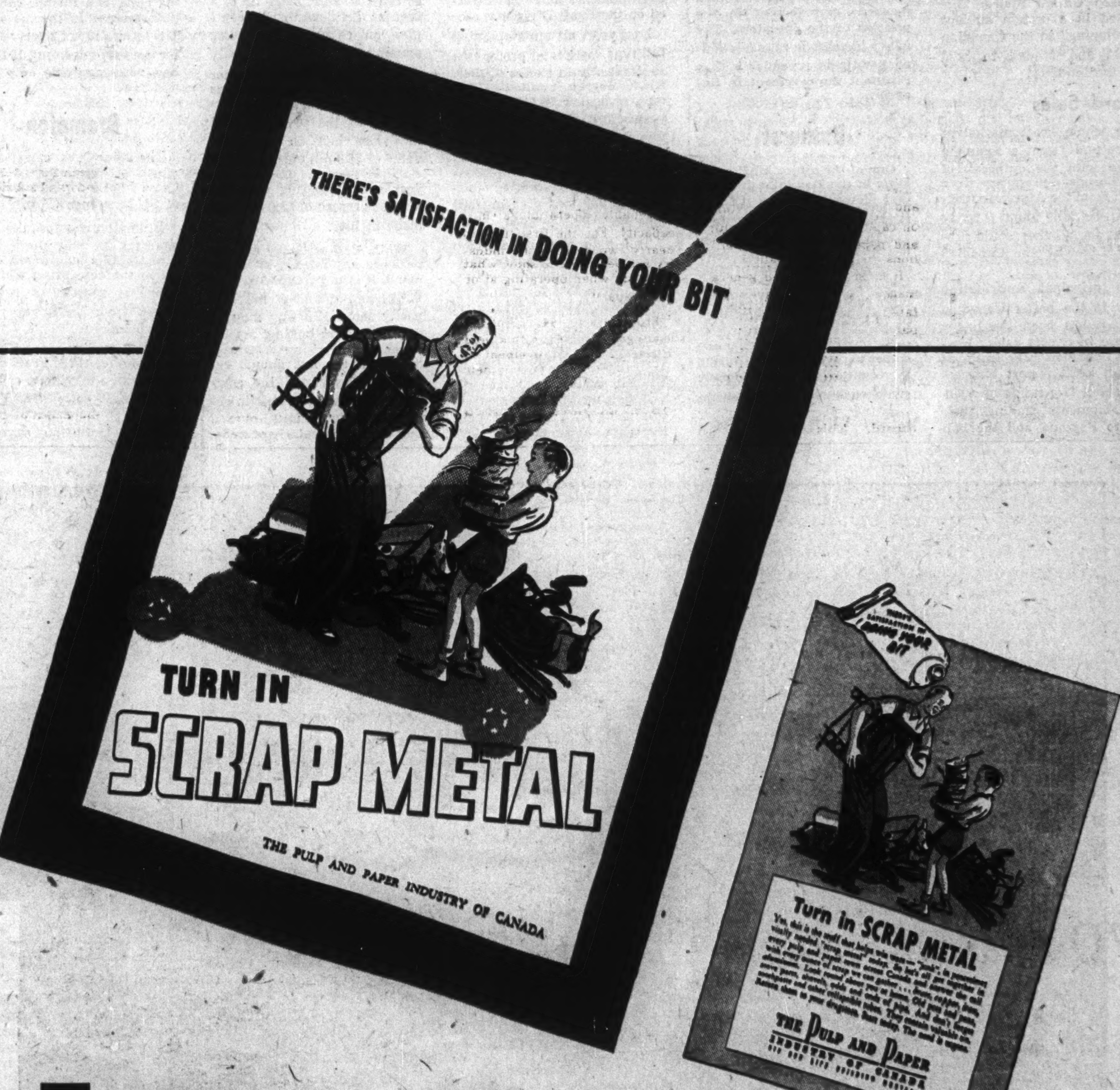
NIAGARA FALLS - CANADA


THERE'S SATISFACTION IN DOING YOUR BIT
TURN IN
SCRAP METAL
THE PULP AND PAPER INDUSTRY OF CANADA
Turn in SCRAP METAL
THE PULP AND PAPER INDUSTRY OF CANADA

A Salvage Poster*
for Bulletin Boards

The above poster is one of a series prepared by the Pulp and Paper Industry to help in the salvage drive. Copies will gladly be sent free of charge to any firm or other organization in Canada which can make good use of them.

These posters are printed in two colours, measure 10" x 13½" and are available in English and in French.

This is part of a campaign sponsored by the Pulp and Paper Industry in mill towns, emphasizing the importance of salvage and conservation. Advertisements, tying in with these posters, are also being run in these towns and a typical advertisement is reproduced above in miniature.

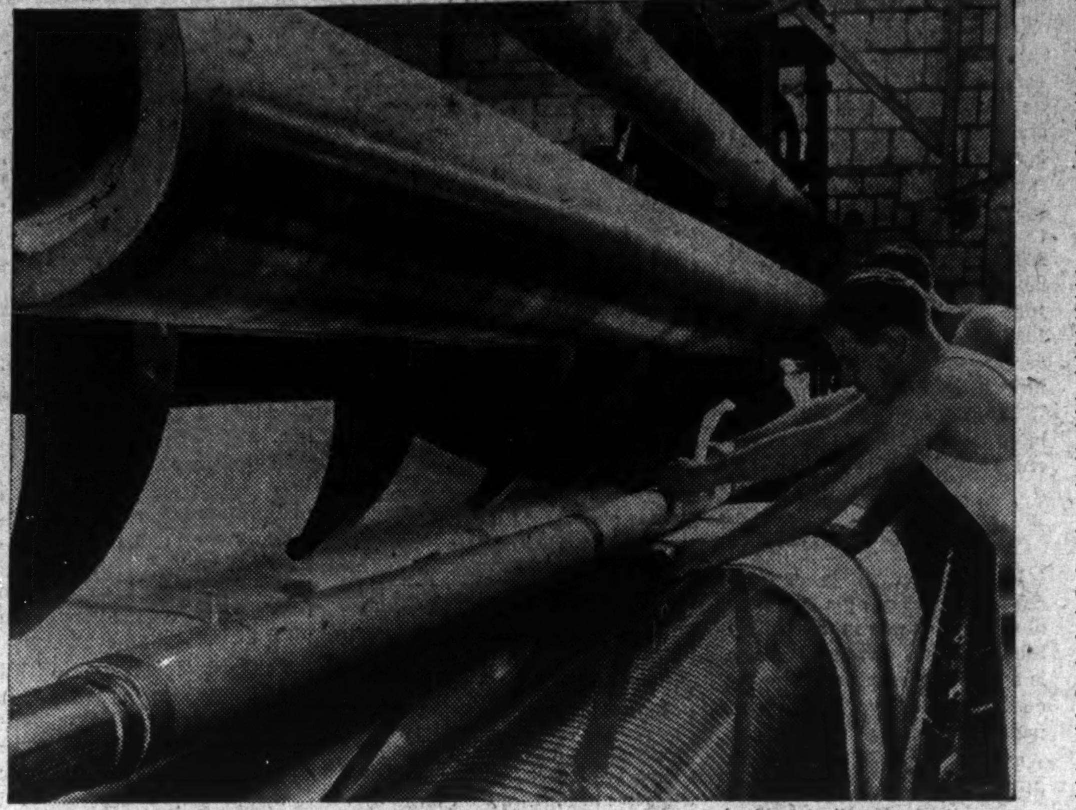
We shall be glad to supply you with copies of these posters for your bulletin boards. Just tell us how many you require and they will be mailed immediately.

*These posters were prepared originally for use in pulp and paper mills but, in response to many requests, are now being made available without charge to other organizations which can profitably use them.

THE PULP AND PAPER
INDUSTRY OF CANADA
872 SUN LIFE BUILDING MONTREAL

Kraft Proves "Cinderella" of Industry

Multitude of Wartime Uses Creates Huge Demand



Priorities are playing an increasingly important part in operations of the pulp and paper industry. Machines need steel, copper, bronze and iron. Parts wear out quickly, and the industry may not find it easy to secure replacements from now on. That means extra care for the machines now in operation to make sure they operate as efficiently as possible, as long as possible.

Kraft paper section of the Canadian pulp and paper industry has been operating at a high rate of capacity for months past.

Both domestic and export demand is strong. Any let up in production will be as a result of lack of manpower, diversion of power to other industries or scarcity of raw materials. What effect any one or all of these factors will have on operations over the next year is anyone's guess at this stage.

For many reasons kraft paper fills a highly important need in wartime. Because of its strength, this paper is ideally suited for wrapping purposes, kraft liner and other products can withstand great wear and tear.

Research and successful sales promotion have greatly widened the use of kraft paper and brought about a better appreciation and realization of its usefulness.

In many respects kraft is the "Cinderella" of the pulp and paper industry. Though there was a rapid adoption of kraft for shipping containers in preference to wood, the industry anticipated a greater demand than actually developed. As a result manufacturing capacity was greatly extended. Particularly was this the case in the southern United States. This resulted in a certain amount of "dumping" in the Canadian market and tended to hold back the industry.

Record Sales

The whole kraft marketing picture underwent a complete change with the outbreak of war. European producers were cut off from the American market. U. S. mills found a ready market for all they could produce. Likewise the Canadian mills.

The principal contributing factor to the better Canadian situation has been the heavy increase in export sales. Normally Canadian mills carry on a small kraft export business with about two thirds of overseas shipments finding their way to England and the balance to South Africa, the Orient and elsewhere.

During the past two years export sales have been of record proportions. The demand from Britain has been exceptionally high. British South Africa also has greatly increased its purchases. Sales to the Orient, of course, have been eliminated, but elsewhere a demand arose for all the kraft that the Canadian mills could spare.

Allot Tonnage

Arising from the demands from the Dominion Government and its various departments and ramifications, from the ordinary domestic channels, and from export markets, production of kraft paper last year showed a very substantial increase over that for 1940.

At the beginning of this year it was necessary to distribute the available tonnage on an allotment basis so as to secure equitable distribution to customers. The manufacturers also set up a committee to see that the government and war requirements are served first. In addition unnecessary colors and uneconomical weights have been discontinued, so as to make for maximum use of available tonnage.

Wartime demand for kraft naturally has brought about a marked improvement in the position of the operators. The heavy increase in sales has added greatly to revenues with a resultant improvement in finances.

Bathurst

One of the major kraft operators in the Dominion is Bathurst Power & Paper Co., of Bathurst, N.B., which produces kraft liner and folding box board. In addition, the company has a substantial production of unbleached sulphite pulp and a newsprint capacity of 70 tons daily.

Bathurst is a relative newcomer to the kraft field. During the depression, the company switched one of its newsprint machines over to kraft liner board. This move toward greater diversification was so successful that manufacturing operations are now concentrated on the Kraft Division.

Last year, all units operated full time, with total production substantially in excess of 1940. Kraft output totalled 47,357 tons, as against 39,015 tons the year before. Box board production showed a slight gain at 18,942 tons or roughly the same as that for newsprint. Unbleached sulphite produced, amounted to 20,932 tons or about 500 tons more than in 1940.

This high rate of operation has been maintained to date. Just half net profits, before taxes, were $881,282, up 36.6% from last year's $645,203. It is officially stated the balance of $105,000 on purchase money notes was paid off in full in June.

Reflecting this improvement in earning power, the company increased payments on the class A stock. The last distribution made on June 1, amounted to 50 cents a share, made up of a regular dividend of 25 cents plus an extra of the same amount.

It is difficult to say whether or not operations and earnings will be maintained during the balance of the year. In 1941 the sales had an aggregate value of $6.6 millions, the largest ever reported for any one year and comparing with the previous record of $5.4 millions made in 1940.

While Bathurst may not experience any falling off in demand, it is to be expected that with operations at or near capacity some difficulty may be experienced in holding net income due to rising costs and taxes. In the last annual report, it was stated the company was having trouble in obtaining suitable supplies and that costs, particularly of wood, would increase further in 1942. Added to greater manufacturing costs, is a further substantial increase in income taxes. The latter did not affect returns for the first quarter of 1942, the new rates applying only since mid-year.

Brompton

The other Quebec kraft operator is Brompton Pulp & Paper Co., a wholly-owned subsidiary of St. Lawrence Corp.

Brompton is not unlike Wayagamack in that there is no direct public investment interest in the enterprise, while its principal sources of revenue comes from kraft, paper and newsprint.

In its Canadian plant, Brompton operates three kraft machines, with a maximum capacity of 130 tons daily. The Claremont, N.H. plant also has three machines with an aggregate capacity of 50 tons daily.

Collectively the six machines are capable of producing 54,000 tons of kraft annually, which makes this division a major source of income for Brompton and in turn, St. Lawrence Corp.

Dryden

Ontario has only one kraft producer, namely, Dryden Paper Co. It operates a large kraft pulp and paper plant at Dryden, Ont. Capacity amounts to about 25,000 tons of sulphate pulp, of which a little more than half is further processed into paper and the balance sold in the United States.

The company's policy has been to manufacture only the amount of pulp required for conversion into finished products in its own mills, together with such pulp for sale as would permit the mills to operate at their most economical point.

For this reason, the company's plant, from 1933 to 1940 turned out only slightly over 15,000 tons of pulp per year, on the average, or about 50% of the present rate of production.

In recent years, the company has had more than ordinary difficulty with water conditions and power shortages; a factor in keeping down production. This situation has been corrected and currently, operations are at capacity.

There is a demand for more than the company can produce. There are no immediate plans for expansion. In this connection, F. A. Sabbaton, president, states experience over many years in selling kraft pulp on the open market has proved unprofitable. He does not think it advisable, therefore, for the company to further expand its pulp capacity unless the same is converted into a finished product in its own mills, or unless Canada's war effort urgently requires an increased amount of kraft pulp.

Increased earnings were shown by Dryden in the year ended Sept. 30, last. Operating profit amounted to $424,954 compared with $313,568 in the previous fiscal year. Net profit totalled $32,287 after providing $255,426 for depreciation and $25,000 for taxes, whereas no net profit was shown in either the 1939-40 or 1938-39 fiscal periods.

Sidney Roofing

Sidney Roofing & Paper Co., operating in Victoria and Vancouver is a privately owned company which does not issue financial statements. It produces groundwood pulp, boxboards, testing boards, felts, building paper and roofing paper. It is also reportedly interested in the manufacture of paper boxes in British Columbia.

The company has replaced its pulp mill which was destroyed by fire in late 1939, this replacement being part of the company's expansion program which cost around $125,000. It was recently announced that Sidney Roofing has placed a third cylinder machine in operation at its main plant in Victoria, to increase production.

Vancouver Kraft

Incorporated in 1939 with a B. C. charter, Vancouver Kraft Corp. was sold in the Fall of 1941 for $1.5 million to Sorg Paper Company of Middleton, Ohio. The Sorg organization had previously purchased the entire output of the Vancouver Kraft.

Sorg Paper plans extensive expansion of the Port Mellon plant which produces kraft pulp. During the present year and 1943 it will spend $1.1 million to increase output from 20,000 to 40,000 tons of Kraft Pulp annually.

When the company was sold to the American interests the stock was shown to have no value.

Wayagamack

Quebec supports two of the five kraft plants in Canada. One of these is operated by Consolidated Paper Corporation through its Wayagamack division at Three Rivers.

Starting operations about 30 years ago, Wayagamack is one of the oldest kraft operators in the Canadian field. This unit produces both newsprint and kraft pulp and paper. The latter is the more important, capacity being around 130 tons daily of both kraft pulp and paper.

No details of operations or income are available for the Wayagamack division, returns being consolidated with those of the parent company. However it is understood operations have shaped up well, contribution of the earning power of the parent company being an important one.

Particulars in respect to the parent company are covered in detail in the newsprint section.

Pulp and Paper Leads Canadian Industry

Pulp and paper ranks as Canada's largest manufacturing industry. According to the most recent returns of the Dominion Bureau of Statistics there are 103 pulp and paper mills in the Dominion. Capital invested in these plants amounts to nearly $643 millions.

Operations are centred in Quebec, but the industry also is represented in Ontario, British Columbia, Manitoba, New Brunswick and Nova Scotia.

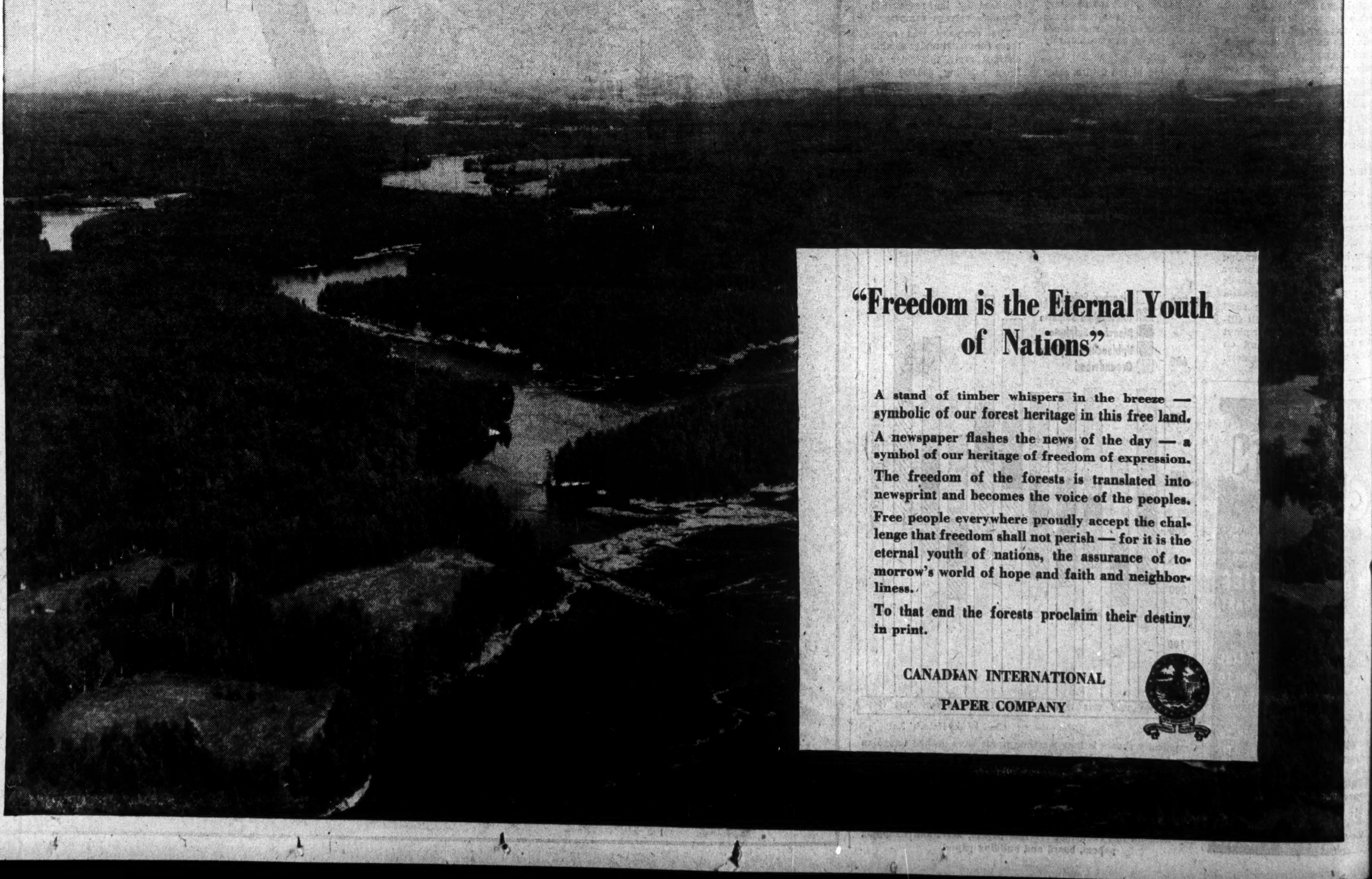
While Canada is not the foremost producer of pulp and paper products, it has by far the largest exportable surplus of any country in the world. In peacetime nearly every country in the world draws all or part of its pulp and paper requirements from the Dominion. At this time Canada is practically the only source of these products for the United Nations and other countries not under domination of the Axis powers.

	Mills Pulp	 Pulp & paper	 Paper	$ Capital employed
Quebec ..	10	26	10	338,424,650
Ontario ..	8	15	15	187,513,693
B. C.	2	3	1	52,713,013
Others* ..	27	49	27	642,979,943

*Manitoba, New Brunswick and Nova Scotia.

10% Wood Exported

Out of a total of 2,825 million cu. ft. of standing timber cut in Canada in 1939, about 99% was retained in the country for immediate use, or as raw material for further manufacturing by Canadian industry, and 10% was exported in a more or less unmanufactured form.



"Freedom is the Eternal Youth of Nations"

A stand of timber whispers in the breeze — symbolic of our forest heritage in this free land.

A newspaper flashes the news of the day — a symbol of our heritage of freedom of expression.

The freedom of the forests is translated into newsprint and becomes the voice of the peoples.

Free people everywhere proudly accept the challenge that freedom shall not perish — for it is the eternal youth of nations, the assurance of tomorrow's world of hope and faith and neighborliness.

To that end the forests proclaim their destiny in print.

CANADIAN INTERNATIONAL PAPER COMPANY